

SENATE BILL REPORT

SB 6092

As Reported By Senate Committee On:
Ways & Means, April 7, 1997

Title: An act relating to abolishing the state health care policy board.

Brief Description: Abolishing the state health care policy board.

Sponsors: Senators West and Deccio.

Brief History:

Committee Activity: Ways & Means: 4/3/97, 4/7/97 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6092 be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Fraser, Long, Loveland, McDonald, Rossi, Sheldon, Swecker and Zarelli.

Staff: Tim Yowell (786-7435)

Background: The Health Care Policy Board was established in 1995 to provide an independent forum which would research and provide recommendations to the Governor and Legislature about a variety of issues relating to the financing and delivery of medical care in the state. The board consists of five full-time paid members appointed by the Governor, four legislators, and a staff of 15. The board's total 1997-99 operating budget request was for \$4.4 million, funded from the health services account.

The board is responsible for studying and periodically reporting on a wide range of health care topics. These include the status of health care coverage, financing, and delivery for both the insured and the uninsured populations; the implementation of community rating and its effects on the insurance market; development of model billing, claims processing, and enrollee satisfaction forms; proposing a system for expanding the availability and integration of long-term care services; and conducting comparative studies of the group and individual insurance markets.

With advice and assistance from the Attorney General, the board also has the statutory authority to grant and monitor anti-trust immunity for certain integrated health services delivery arrangements. These are arrangements which might be found to lessen competition under federal anti-trust laws, but which can be shielded from federal action if the state determines that the arrangement's benefits outweigh its costs. The state must actively monitor such immunity grants to assure that they continue to be in the public interest. To date, the board has approved four immunity applications.

Summary of Substitute Bill: The Health Care Policy Board is eliminated effective July 1, 1997. The responsibility for approving and monitoring health care delivery arrangements which might tend to lessen competition is transferred to the Department of Health. The department is to establish and collect fees to cover the cost of approving and monitoring these arrangements. The maximum fee is \$25,000 for an application for anti-trust immunity, and \$10,000 annually for anti-trust monitoring and supervision.

Substitute Bill Compared to Original Bill: Obsolete references to certified health plans— are replaced with the term health carriers.— Language is added clarifying and limiting the extent to which proprietary and financial information submitted as part of an application for anti-trust immunity is subject to public disclosure. Principles are defined for the Secretary of Health to follow when setting anti-trust immunity fees. Maximum fee levels are established.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 1997.

Testimony For: None.

Testimony w/Concerns: A fee could jeopardize the fiscal stability of approved arrangements, and eliminate the benefits which would otherwise accrue to the public. Depending on the level of the fee, it could perhaps be borne, but the level of the fee is unknown at this time. In this case, fees don't work well because they could discourage people from applying, and could inadvertently lock out smaller organizations. Responsibility and funding for an evaluation of the Maternity Care Access Act and other important studies also need to be transferred, with funding, to an appropriate organization.

Testified: Robert Seader, Westside Community Health Network; David Gitch, Harrison Memorial Hospital; Garman Lutz, Empire Health Services; Andy Dolan, Washington State Medical Association; Theresa Connor, Women's Health Care Coalition; Nick Federici, Washington State Nurses Association; Gail McGaffick, Home Care Association.