

SENATE BILL REPORT

SB 6486

As of February 4, 1998

Title: An act relating to managed care consumer protection.

Brief Description: Creating the managed care consumer protection act.

Sponsors: Senators Wood, Wojahn, Winsley, Long, Fairley, Thibaudeau, Kohl and Oke.

Brief History:

Committee Activity: Health & Long-Term Care: 2/4/98.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Jonathan Seib (786-7427)

Background: "Health carriers" include disability insurers, health care service contractors, and health maintenance organizations. Current law imposes obligations on carriers regarding, among other things, required benefits, information disclosure, emergency care, and gag rules. As managed care emerges as the prevalent method of delivering health care services, there is concern that current requirements are insufficient to allow consumers to make informed decisions and to receive adequate health care treatment.

There is also concern that payment decisions in a managed care system are less deferential than in fee-for-service systems to the treatment decisions of providers, looking instead to mechanisms such as utilization review to determine when reimbursement is appropriate. It is suggested that this interferes with the provider-patient relationship and transfers significant control over treatment to managed care organizations, while the liability for negligent treatment decisions remains with the provider.

Summary of Bill: The "Managed Care Consumer Protection Act" establishes numerous requirements regarding the structure and operation of managed care plans by health carriers. Areas covered include: (1) enrollee access to and choice of health care personnel and facilities; (2) coverage of drugs and medical devices; (3) coverage of experimental treatments; (4) quality assurance standards; (5) information disclosure and data collection; (5) clinical decision making; (6) grievance procedures, including independent review organizations; and (7) advertising.

A health carrier is made liable for damages for harm to an enrollee that is caused by the carrier's failure to exercise ordinary care. At the request of the carrier, an enrollee may be required to use an independent review organization prior to filing a malpractice action.

Appropriation: None.

Fiscal Note: Requested on February 4, 1998.

Effective Date: Ninety days after adjournment of session in which bill is passed.