

# SENATE BILL REPORT

## SB 6578

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As Reported By Senate Committee On:  
Financial Institutions, Insurance & Housing, February 5, 1998

**Title:** An act relating to regulation of health care service contractors.

**Brief Description:** Regulating health care service contractors.

**Sponsors:** Senators Winsley, Wojahn, Wood and Rasmussen.

**Brief History:**

**Committee Activity:** Financial Institutions, Insurance & Housing: 1/29/98, 2/5/98 [DPS].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

**Majority Report:** That Substitute Senate Bill No. 6578 be substituted therefor, and the substitute bill do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Hale, Heavey, Kline and Prentice.

**Staff:** Dave Cheal (786-7576)

**Background:** A provision of the insurance code applicable to disability insurers requires payment for procedures performed by dentists if the procedure is within their lawful scope of practice and would be covered if the same procedure had been performed by a physician.

The contracting activities of health care service contractors with providers are expressly exempt from laws relating to insurance. Therefore, payment to a dentist for a particular procedure may be required from a disability insurer but not from a health care service contractor.

**Summary of Substitute Bill:** Health care service contractors are required to reimburse providers who perform health care services for a member or subscriber that is within the provider's lawful scope of practice.

**Substitute Bill Compared to Original Bill:** The provision exempting the contracting activity of health care service contractors from laws relating to insurance is restored.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Health care service contractors discriminate against certain types of providers by denying reimbursements, even though they pay for the same procedure if performed by other types of providers, even though the procedure is within the lawful scope of practice of both types of providers.

**Testimony Against:** Removing the exemption from insurance laws for health care service contractors would destroy HCSCs. Indemnity health carriers and health care service contractors provide distinctly different products. Removing the exemption would make that distinction impossible.

**Testified:** PRO: James E. Shelman, DDS, Linda Parrish; CON: Nancee Wildermuth, PacifiCare of WA; Ken Bertrand, Group Health; Rick Wickman, Blue Cross.