SENATE BILL REPORT

SB 6676

As of February 2, 1998

Title: An act relating to actions against health care providers.

Brief Description: Limiting care providers' liability.

Sponsors: Senators Winsley, Kline, Patterson, Franklin and Deccio.

Brief History:
   Committee Activity: Health & Long-Term Care: 2/3/98.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

   Staff: Jonathan Seib (786-7427)

   Background: Under a traditional fee-for-service payment system, a health care provider delivers what he or she believes to be appropriate health care services, and bills a patient or insurer for the cost of the services. Although an insurer may have reimbursement limits, it gives the provider substantial discretion and generally is not considered to "interfere" with the provider-patient relationship. In control and responsible for the patient's care, the provider is thus liable for malpractice if that care is provided negligently.

   Managed care organizations, however, attempt to control costs by "managing" the health care of patients. As such, payment decisions 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. There is concern 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: A health care provider is not liable for a decision of a third party payer or others not to pay for health care services recommended by the provider when the provider: (1) appeals the payment decision, where possible; and (2) advises the patient to obtain the care, and informs him or her of the risks of not doing so and of the availability of an appeal process.

   Appropriation: None.

   Fiscal Note: Not requested.

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