
SUBSTITUTE HOUSE BILL 1337

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Dyer, Backlund and Sherstad)

Read first time 03/05/97.

1 AN ACT Relating to authorizing providers and provider groups to
2 offer health care coverage; and adding a new section to chapter 48.43
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43 RCW
6 to read as follows:

7 (1) It is the intent of the legislature to clarify the regulatory
8 requirements of a health care provider, health care facility, or a
9 provider network contracting with a third-party payer to provide health
10 care services on a capitation, prepaid, or other at-risk basis.
11 Further, it is the intent of the legislature to encourage innovation in
12 the delivering and financing of health care services so long as a
13 lawful third-party payer remains ultimately financially responsible for
14 the provision of the health care services for which the public has paid
15 premiums.

16 (2) Notwithstanding any other provision of this title, a health
17 care provider, health care facility, or provider network is not
18 engaging in the business of insurance or otherwise subject to the
19 jurisdiction of this title when compensated by a third-party payer on

1 a capitation, prepaid, or other at-risk basis so long as a lawful
2 third-party payer is ultimately financially responsible to the patient
3 for the provision of the health care services contracted, regardless of
4 whether or not the provider or provider network accepts compensation,
5 which, in turn, is used to pay other types of health care providers or
6 health care facilities for health care services.

7 (3) For purposes of this section, "lawful third-party payer" means
8 a third-party payer who is operating lawfully under state or federal
9 law, including health carriers regulated pursuant to this title;
10 publicly funded health care service coverage programs pursuant to
11 chapters 41.05, 70.47, and 74.09 RCW; health care service coverage
12 programs of a local governmental authority pursuant to chapter 48.62
13 RCW; any industrial insurance programs under Title 51 RCW; private
14 self-insured employer welfare benefit plans exempt from state insurance
15 regulation by federal law; and the federal government as to any of its
16 health care programs such as medicare, civilian health and medical
17 program for the uniform services, or coverage for a federal employee
18 and dependent.

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