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SENATE BILL 6578

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State of Washington

55th Legislature

1998 Regular Session

By Senators Winsley, Wojahn, Wood and Rasmussen

Read first time 01/21/98. Referred to Committee on Financial Institutions, Insurance & Housing.

1 AN ACT Relating to regulation of health care service contractors;  
2 and amending RCW 48.44.020.

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

4 **Sec. 1.** RCW 48.44.020 and 1990 c 120 s 5 are each amended to read  
5 as follows:

6 (1) Any health care service contractor may enter into contracts  
7 with or for the benefit of persons or groups of persons which require  
8 prepayment for health care services by or for such persons in  
9 consideration of such health care service contractor providing one or  
10 more health care services to such persons (~~and such activity shall not~~  
11 ~~be subject to the laws relating to insurance if the health care~~  
12 ~~services are rendered by the health care service contractor or by a~~  
13 ~~participating provider)). However, a health care service contractor  
14 must fully reimburse a provider for health care services performed  
15 within the lawful scope of the provider's license.~~

16 (2) The commissioner may on examination, subject to the right of  
17 the health care service contractor to demand and receive a hearing  
18 under chapters 48.04 and 34.05 RCW, disapprove any contract form for  
19 any of the following grounds:

1 (a) If it contains or incorporates by reference any inconsistent,  
2 ambiguous or misleading clauses, or exceptions and conditions which  
3 unreasonably or deceptively affect the risk purported to be assumed in  
4 the general coverage of the contract; or

5 (b) If it has any title, heading or other indication of its  
6 provisions which is misleading; or

7 (c) If purchase of health care services thereunder is being  
8 solicited by deceptive advertising; or

9 (d) If, the benefits provided therein are unreasonable in relation  
10 to the amount charged for the contract;

11 (e) If it contains unreasonable restrictions on the treatment of  
12 patients;

13 (f) If it violates any provision of this chapter;

14 (g) If it fails to conform to minimum provisions or standards  
15 required by regulation made by the commissioner pursuant to chapter  
16 34.05 RCW;

17 (h) If any contract for health care services with any state agency,  
18 division, subdivision, board or commission or with any political  
19 subdivision, municipal corporation, or quasi-municipal corporation  
20 fails to comply with state law.

21 (3)(a) Every contract between a health care service contractor and  
22 a participating provider of health care services shall be in writing  
23 and shall state that in the event the health care service contractor  
24 fails to pay for health care services as provided in the contract, the  
25 enrolled participant shall not be liable to the provider for sums owed  
26 by the health care service contractor. Every such contract shall  
27 provide that this requirement shall survive termination of the  
28 contract.

29 (b) No participating provider, agent, trustee or assignee may  
30 maintain any action against an enrolled participant to collect sums  
31 owed by the health care service contractor.

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