

HOUSE BILL REPORT

E2SHB 2331

As Passed House:
February 14, 2000

Title: An act relating to health care patient protection.

Brief Description: Adopting a patient bill of rights.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Campbell, Schual-Berke, H. Sommers, Linville, Doumit, Cody, Wolfe, Conway, Quall, Eickmeyer, Morris, Gombosky, Ruderman, Edmonds, Poulsen, Dunshee, Fisher, Scott, Regala, McIntire, Kastama, Kessler, Wood, Lantz, Ogden, Santos, Edwards, O'Brien, Romero, Stensen, Cooper, Reardon, Tokuda, Veloria, Rockefeller, Lovick, Kenney, Kagi, Haigh, Miloscia, Anderson, Constantine, Dickerson, Keiser, Hurst, Murray, McDonald and D. Sommers).

Brief History:

Committee Activity:

Health Care: 1/11/00, 1/20/00, 1/28/00 [DPS];

Appropriations: 2/5/00, 2/8/00 [DP2S(w/o sub HC)].

Floor Activity:

Passed House: 2/14/00, 92-3.

Brief Summary of Second Substitute Bill

- Carriers offering health plans (including disability insurers, health care service contractors, health maintenance organization, and state health plans) must comply with requirements regarding the privacy of an enrollee's health records; the disclosure of information about health plans to enrollees; access of enrollees to participating health providers of their choice, including specialists; and timely review of health care disputes through a grievance process.
- The Insurance Commissioner is required to establish a system for the review through an independent review organization of carrier decisions that deny, modify, reduce or terminate an enrollee's benefit coverage or payment. The Department of Health is required to certify qualified and impartial independent review organizations.
- An enrollee may bring a civil action against a carrier for damages for substantial harm proximately caused by its health care treatment under accepted standards of medical care. No enrollee may sue a carrier without first seeking redress through independent review.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Cody, Democratic Co-Chair; Parlette, Republican Co-Chair; Pflug, Republican Vice Chair; Schual-Berke, Democratic Vice Chair; Alexander; Campbell; Conway; Edmonds; Edwards; Mulliken; Pennington and Ruderman.

Staff: John Welsh (786-7133).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 23 members: Representatives H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Alexander; Clements; Cody; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McIntire; Regala; Rockefeller; Ruderman; Sullivan and Tokuda.

Minority Report: Do not pass. Signed by 9 members: Representatives Huff, Republican Co-Chair; Benson; Boldt; Crouse; McMorris; Mulliken; Parlette; Sump and Wensman.

Staff: Denise Graham (786-7137).

Background:

Health carriers include disability insurers, health care service contractors, and health maintenance organizations. Carriers are regulated by the Insurance Commissioner and must meet statutory requirements regarding benefits, information disclosure, and emergency care among other standards required by law.

Managed care has emerged as the most prevalent method of delivering health care services today, with an estimated 75 percent of insured individuals relying on some form of managed care. The growth of managed care plans is a response to the rising costs of health care, with health insurers offering employers a variety of health plans to control the delivery of health care services more prudently. Competition among plans in the health market place is intense. Increased pressures on carriers to contain rising costs is worsening brought on by a growing aging population, new expensive technology, higher prices for new prescription drugs, as well as general health inflation. The cost conscious practices of some managed care plans have prompted concerns about the ability of consumers to make informed decisions and receive appropriate health care services.

Summary of Bill:

The bill addresses a number of subjects regarding the structure and operations of health carriers in providing protections for enrollees of health plans, and is known as the Health Care Patient Bill of Rights.

There is a declaration of legislative intent to assure that enrollees have improved access to information about their health care and sufficient and timely access to appropriate services; that decisions are made by appropriate medical personnel; that enrollees have a quick and impartial process for appealing plan decisions; and that enrollees are protected from unnecessary invasions of privacy.

HEALTH INFORMATION PRIVACY

Carriers as third-party payors cannot disclose an enrollee's health information except to the extent that health providers can under state law, and must adopt policies to protect an enrollee's right to privacy and confidentiality granted under federal and

state law. The Insurance Commissioner is authorized to implement privacy requirements, considering any impact on a carrier's disease management activities.

INFORMATION DISCLOSURE

A carrier selling a plan must first provide to an enrollee the following information, though carriers and health providers need not disclose proprietary information: