

SENATE BILL REPORT

SB 5313

As Reported By Senate Committee On:
Health & Long-Term Care, March 3, 1999

Title: An act relating to the scope of mental health record audits.

Brief Description: Limiting the scope of mental health record audits.

Sponsors: Senators Wojahn, Zarelli, Thibaudeau, Deccio and Winsley.

Brief History:

Committee Activity: Health & Long-Term Care: 1/28/99, 3/3/99 [DPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5313 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thibaudeau, Chair; Wojahn, Vice Chair; Costa, Deccio, Franklin, Johnson and Winsley.

Staff: Jonathan Seib (786-7427)

Background: The term utilization review— is often used to describe a range of managed care cost containment strategies including monitoring a provider's pattern of treatment, determining the medical necessity of certain types or levels of treatment, and evaluating the efficacy, appropriateness, or efficiency of certain treatments for certain health conditions. As managed care financing arrangements have come to dominate health insurance, health insurance carriers have begun applying a number of these utilization review strategies, not only to medical services, but also to mental health services.

Health carriers may also periodically perform financial audits of providers to determine compliance with reimbursement standards. Current law limits further disclosure of audit information and requires information that would enable a particular patient to be identified to be destroyed as soon as possible.

Concerns exist regarding the information used in performing utilization review and audits of outpatient mental health services.

Summary of Substitute Bill: A health carrier performing a utilization review of mental health services for a specific enrollee is limited to accessing only the specific health care information contained in the enrollee's record.

A health carrier performing an audit of a provider that has furnished mental health services to a carrier's enrollees is limited to accessing only the records of enrollees covered by the specific health carrier for which the audit is being performed.

Substitute Bill Compared to Original Bill: In the substitute, the language of the original bill is simplified and clarified.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill would address one of the most difficult problems regarding utilization review of mental health services. Currently, those performing these reviews for a given insurance company can request to see the files of clients of other insurance companies. This is a violation of the providers ethical standards and the laws pertaining to the confidentiality of client records. This bill would address in a uniform way a problem that providers have with each of the multiple insurance companies with whom they contract.

Testimony Against: The bill as written could result in insufficient information being available for the utilization review. In this case, the reviewer may not be able to support the mental health treatment plan. The result would be a denial of coverage based on a lack of complete information. Those performing utilization reviews are required to sign confidentiality statements, which allows appropriate information to be exchanged to assure quality treatment is approved and agreed upon.

Testified: PRO: Laura Groshong, Washington State Association of Mental Health Professionals and Consumers, Washington State Society of Clinical Social Work; David Dickman, National Association of Social Workers; Melanie Stewart, Washington State Mental Health Counselors; Andrea Stephenson; Ann Simons, Washington Association for Marriage & Family Therapy; CON: Ken Bertrand, Group Health.