
SENATE BILL 5445

State of Washington

56th Legislature

1999 Regular Session

By Senators Franklin, Winsley, Wojahn, Deccio, Thibaudeau, Kline, Rasmussen, Fairley, Patterson, Prentice, Kohl-Welles, Costa, Eide and Spanel

Read first time 01/22/1999. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to a mandated benefit bill review process; amending
2 RCW 48.47.010 and 48.47.030; adding a new section to chapter 48.47 RCW;
3 and repealing RCW 48.47.020.

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

5 **Sec. 1.** RCW 48.47.010 and 1997 c 412 s 2 are each amended to read
6 as follows:

7 Unless otherwise specifically provided, the definitions in this
8 section apply throughout this chapter.

9 (1) "Appropriate committees of the legislature" or "committees"
10 means nonfiscal standing committees of the Washington state senate and
11 house of representatives that have jurisdiction over statutes that
12 regulate health carriers, health care facilities, health care
13 providers, or health care services.

14 (2) "Department" means the Washington state department of health.

15 (3) "Health care facility" or "facility" means hospices licensed
16 under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW,
17 rural health care facilities as defined in RCW 70.175.020, psychiatric
18 hospitals licensed under chapter 71.12 RCW, nursing homes licensed
19 under chapter 18.51 RCW, community mental health centers licensed under

1 chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed
2 under chapter 70.41 RCW, ambulatory diagnostic, treatment, or surgical
3 facilities licensed under chapter 70.41 RCW, drug and alcohol treatment
4 facilities licensed under chapter 70.96A RCW, and home health agencies
5 licensed under chapter 70.127 RCW, and includes such facilities if
6 owned and operated by a political subdivision or instrumentality of the
7 state, and such other facilities as required by federal law and
8 implementing regulations.

9 (4) "Health care provider" or "provider" means:

10 (a) A person regulated under Title 18 or chapter 70.127 RCW, to
11 practice health or health-related services or otherwise practicing
12 health care services in this state consistent with state law; or

13 (b) An employee or agent of a person described in (a) of this
14 subsection, acting in the course and scope of his or her employment.

15 (5) "Health care service" or "service" means a service, drug, or
16 medical equipment offered or provided by a health care facility and a
17 health care provider relating to the prevention, cure, or treatment of
18 illness, injury, or disease.

19 (6) "Health carrier" or "carrier" means a disability insurer
20 regulated under chapter 48.20 or 48.21 RCW, a health care service
21 contractor as defined in RCW 48.44.010, a health maintenance
22 organization as defined in RCW 48.46.020, plans operating under the
23 state health care authority under chapter 41.05 RCW, the state health
24 insurance pool operating under chapter 48.41 RCW, and insuring entities
25 regulated in chapter 48.43 RCW.

26 (7) "~~Mandated ((health benefit, " "mandated benefit, " or ")~~ benefit
27 ~~bill~~" means ~~((coverage or offering required by law to be provided by a~~
28 ~~health carrier to))~~ legislation that would, if it became law, require
29 a health carrier to offer or provide coverage of: (a) ~~((Cover))~~ A
30 specific health care service or services; (b) ~~((cover))~~ the treatment
31 of a specific condition or conditions; or (c) ~~((contract, pay, or~~
32 ~~reimburse))~~ specific categories of health care providers for specific
33 services; however, it does not ~~((mean benefits established pursuant~~
34 ~~to))~~ include legislation that would only affect benefits available
35 under chapter 74.09, 41.05, or 70.47 RCW, or scope of practice
36 modifications pursuant to chapter 18.120 RCW.

37 NEW SECTION. Sec. 2. A new section is added to chapter 48.47 RCW
38 to read as follows:

1 (1) Where the chair of an appropriate committee of the legislature
2 determines it is in the public interest and consistent with the
3 purposes of this chapter, the chair may request that any mandated
4 benefit bill that has been referred to the committee be reviewed by the
5 department under RCW 48.47.030.

6 (2) In making the determination under subsection (1) of this
7 section, the chair shall consider:

8 (a) The extent to which the public has demonstrated an interest in
9 the mandated benefit bill as evidenced by, among other things,
10 testimony before or written submissions to the committee;

11 (b) The extent to which there is uncertainty regarding the costs
12 and benefits of the mandated benefit bill; and

13 (c) The extent to which the review will yield new information that
14 will assist the committee in evaluating the mandated benefit bill.

15 (3) The request for review shall be in writing, and may indicate
16 special concerns or interests the chair would like the department to
17 address in performing the review. Upon receipt of the request, the
18 department shall respond to the chair in writing within thirty days,
19 indicating one of the following:

20 (a) That the bill is not a mandated benefit bill as defined in RCW
21 48.47.010 and therefore not appropriately reviewed under this chapter;

22 (b) That insufficient funds were appropriated to the department for
23 the purpose of reviewing the bill, and therefore the review cannot be
24 completed; or

25 (c) That the bill will be reviewed and the report will be submitted
26 to the secretary of the senate and the chief clerk of the house of
27 representatives at least thirty days prior to the start of the next
28 regular legislative session.

29 (4) A request for review or completion of the report by the
30 department under this chapter is not a prerequisite to consideration
31 and passage of a mandated benefit bill by the legislature.

32 **Sec. 3.** RCW 48.47.030 and 1997 c 412 s 4 are each amended to read
33 as follows:

34 (1) Based on the availability of relevant information, the
35 department shall review a mandated benefit bill and report to the
36 legislature regarding the following ((criteria shall be used to assess
37 the impact of proposed mandated benefits))):

1 (a) The social impact: (i) To what extent is the benefit generally
2 utilized by a significant portion of the population? (ii) To what
3 extent is the benefit already generally available? (iii) If the
4 benefit is not generally available, to what extent has its
5 unavailability resulted in persons not receiving needed services? (iv)
6 If the benefit is not generally available, to what extent has its
7 unavailability resulted in unreasonable financial hardship? (v) What
8 is the level of public demand for the benefit? (vi) What is the level
9 of interest of collective bargaining agents in negotiating privately
10 for inclusion of this benefit in group contracts?

11 (b) The financial impact: (i) To what extent will the benefit
12 increase or decrease the cost of treatment or service? (ii) To what
13 extent will the coverage increase the appropriate use of the benefit?
14 (iii) To what extent will the benefit be a substitute for a more
15 expensive benefit? (iv) To what extent will the benefit increase or
16 decrease the administrative expenses of health carriers and the premium
17 and administrative expenses of policyholders? (v) What will be the
18 impact of this benefit on the total cost of health care services and on
19 premiums for health coverage? (vi) What will be the impact of this
20 benefit on costs for state-purchased health care? (vii) What will be
21 the impact of this benefit on affordability and access to coverage?

22 (c) Evidence of health care service efficacy:

23 (i) If a mandatory benefit of a specific service is sought, to what
24 extent has there been conducted professionally accepted controlled
25 trials demonstrating the health consequences of that service compared
26 to no service or an alternative service?

27 (ii) If a mandated benefit of a category of health care provider is
28 sought, to what extent has there been conducted professionally accepted
29 controlled trials demonstrating the health consequences achieved by the
30 mandated benefit of this category of health care provider?

31 (iii) To what extent will the mandated benefit enhance the general
32 health status of the state residents?

33 (2) (~~The department shall consider the availability of relevant~~
34 ~~information in assessing the completeness of the proposal.~~

35 (3)) The department may supplement these criteria to reflect new
36 relevant information or additional significant issues.

37 ((4)) (3) The department shall establish, where appropriate, ad
38 hoc panels composed of related experts, and representatives of
39 carriers, consumers, providers, and purchasers to assist in the

1 proposal review process. Ad hoc panel members shall serve without
2 compensation.

3 ~~((5))~~ (4) The health care authority shall evaluate the
4 reasonableness and accuracy of cost estimates associated with the
5 proposed mandated benefit (~~(that are provided to the department by the~~
6 ~~proposer or other interested parties,~~) and shall provide comment to
7 the department. Interested parties may, in addition, submit data
8 directly to the department.

9 NEW SECTION. **Sec. 4.** RCW 48.47.020 and 1997 c 412 s 3, 1989 1st
10 ex.s. c 9 s 221, 1987 c 150 s 79, & 1984 c 56 s 2 are each repealed.

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