

# HOUSE BILL REPORT

## HB 1742

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**As Reported by House Committee On:**  
Health Care

**Title:** An act relating to regional health care access demonstration projects.

**Brief Description:** Authorizing regional health care access demonstration projects.

**Sponsors:** Representatives Gombosky, Cox, Cody, Schual-Berke, Edwards and Santos.

**Brief History:**

**Committee Activity:**

Health Care: 2/15/01, 2/27/01 [DPS].

**Brief Summary of Substitute Bill**

- The administrator of the Health Care Authority, the Department of Social and Health Services, and the Insurance Commissioner are authorized to waive statutory requirements related to basic health plan coverage, contracting standards, and medical assistance standards for the delivery of health care services through regional health care access demonstration projects.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Campbell, Republican Co-Chair; Cody, Democratic Co-Chair; Schual-Berke, Democratic Vice Chair; Skinner, Republican Vice Chair; Alexander, Ballasiotes, Conway, Darneille, Edmonds, Edwards, Marine, McMorris, Pennington and Ruderman.

**Staff:** Dave Knutson (786-7146).

**Background:**

Managed health care systems that contract with the Health Care Authority must meet standard requirements related to the services provided to covered enrollees and financial reserve requirements under Title 48 RCW.

**Summary of Substitute Bill:**

The administrator of the Health Care Authority with the consent of the Department of Social and Health Services (DSHS) and the Insurance Commissioner may grant up to four regional health care access demonstration project applications. The administrator is authorized to waive statutory requirements related to managed health care systems providing health services to basic health plan enrollees, and the rate setting process for delivering basic health plan services. The DSHS may waive the statutory principles used in purchasing health care for medical assistance recipients through managed health care systems for authorized demonstration projects. The Insurance Commissioner may waive statutory requirements related to rates, forms, and solvency under Title 48 RCW for authorized demonstration projects.

**Substitute Bill Compared to Original Bill:**

The administrator of the Health Care Authority can only waive statutory requirements related to the Basic Health Plan. The DSHS and the Insurance Commissioner must waive statutory requirements under their purview for approved demonstration projects. A workgroup is established to develop a plan to approve health care access demonstration projects. The \$4,000,000 appropriation is removed.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 13, 2001.

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

**Testimony For:** Greater flexibility is needed in current statutory requirements to allow local health care initiatives to improve access to health coverage and health services for low-income families and other groups.

**Testimony Against:** The statutory provisions in Title 48 RCW related to rates, forms, and solvency should not be waived. These are there to protect health consumers.

**Testified:** (In support) Representative Gombosky, prime sponsor; Dan Baumgarten, Health Improvement Partnership; Kristen West, CHOICE Regional Health Network; and Andrea Stephensen, Empower Alliance.

(Opposed) Bill Hagens, Office of the Insurance Commissioner.

(Comments) Roger Gantz, Department of Social and Health Services.