

6642

Sponsor(s): Senators Prentice, Fairley and Jacobsen

Brief Description: Regulating negotiations between health providers and health carriers.

SB 6642 - DIGEST

Recognizes that managed competition may be adversely affecting the supply of health care providers in this state. The provision of health services by health care providers in participating provider agreements with health carriers, while resulting in health cost containment, is leading to a flight of these providers to other areas of the country where bureaucratic demands on practices are less cumbersome and reimbursement levels are noticeably higher, causing a serious drain on the supply of health care providers available for serving patients and otherwise threatening public access to health care services in the state.

Finds that, as the marketplace of health carriers tends to be more concentrated than the market for health care providers, there is often a disparity of bargaining power between them, resulting in a dramatic disadvantage of health care providers in their efforts to negotiate the terms and conditions of their contracts with health carriers.

Declares that the rules must include the ability of providers to meet and communicate for the purposes of these negotiations, a requirement for representatives of health care providers and health carriers to negotiate in good faith, and options for voluntary mediation or arbitration in case of impasse.

Provides that the insurance commissioner may, subject to a hearing if one is demanded, revoke, suspend, or refuse to accept or renew registration from any health carrier, issue a cease and desist order, or bring an action in any court of competent jurisdiction to enjoin a health carrier from doing any further business in this state, if the health carrier violates the provisions of RCW 43.72.310(2)(c) or any rules promulgated under that subsection.

Provides that, after hearing or upon stipulation by the registrant and in addition to or in lieu of the suspension, revocation, or refusal to renew any registration of a health carrier, the commissioner may levy a fine against the party involved for each offense in an amount not less than ten thousand dollars.

Provides that upon failure to pay any fine when due, the insurance commissioner shall revoke the registration of the health carrier, and the fine shall be recovered in a civil action brought in behalf of the commissioner by the attorney general. Any fine collected shall be paid by the commissioner to the state treasurer for deposit in the general fund.