

# SENATE BILL REPORT

## HB 1140

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As Reported By Senate Committee On:  
Health & Long-Term Care, March 21, 2005

**Title:** An act relating to fees for performing independent reviews of health care disputes.

**Brief Description:** Developing a schedule of fees for performing independent reviews of health care disputes.

**Sponsors:** Representatives Bailey, Cody and Wallace.

**Brief History:** Passed House: 3/03/05, 97-0.

**Committee Activity:** Health & Long-Term Care: 3/17/05, 3/21/05 [DP].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Deccio, Ranking Minority Member; Benson, Brandland, Franklin, Johnson, Kastama, Kline, Parlette and Poulsen.

**Staff:** Jonathan Seib (786-7427)

**Background:** Washington's "Patient Bill of Rights" includes provisions authorizing a health plan enrollee to seek review of a carrier's coverage or payment decisions from an independent review organization (IRO). Participating IROs must be certified by the Department of Health pursuant to criteria established in statute, and are assigned to disputes by the Insurance Commissioner on a rotating basis. The cost of the IRO is paid by the carrier.

The fee charged by IROs is not currently regulated. There is concern that this allows rates to vary significantly, and for some IROs to charge unreasonable amounts.

**Summary of Bill:** By January 1, 2006, the Department of Health must develop a reasonable maximum fee schedule that independent review organizations are to use to assess carriers for conducting reviews under the state Patient Bill of Rights.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** There is a need to standardize the fees that are charged by independent review organizations. Currently, the fees charged can vary widely, with a few organizations charging beyond what is reasonable. Ultimately, these unreasonable charges are reflected in higher health care costs.

**Testimony Against:** None.

**Who Testified:** PRO: Representative Bailey, prime sponsor; Sydney Zvara, Association of Washington Healthcare Plans.