

SENATE BILL REPORT

ESHB 2942

As of February 19, 2006

Title: An act relating to health care provider contracts.

Brief Description: Concerning contracts of health care providers.

Sponsors: House Committee on Health Care (originally sponsored by Representatives Curtis, Morrell, Campbell, Cody, Green, Clibborn, Kessler, Serben, Rodne, Moeller, McCune and Hasegawa).

Brief History: Passed House: 2/13/06, 73-25.

Committee Activity: Health & Long-Term Care: 2/22/06.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Jonathan Seib (786-7427)

Background: Health carriers typically contract with a limited number of health care providers to furnish services to their health plan enrollees. Washington law requires that each provider network include every category of health care provider, that it be sufficient to assure plan services are accessible to enrollees without unreasonable delay, and that a carrier's selection standards not be used to exclude providers serving high risk populations. A carrier, however, is not required to contract with any particular provider or group of providers.

A carrier may also terminate its contract with a provider with or without cause, subject only to the terms of the contract, provided that certain notice requirements are met with regard to the provider and provider's patients.

Summary of Bill: Whenever a carrier's market share within a local market is forty percent or greater, the carrier: (1) may not terminate a provider except for reasonable cause; and (2) must offer a provider contract to any provider within the local market who meets the carrier's customary and reasonable credentialing standards.

Carriers may charge a fee to providers to cover the cost of credentialing, and all fees must apply equally to all health professions.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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