

SENATE BILL REPORT

SB 5159

As Passed Senate, March 8, 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: Senator Keiser.

Brief History:

Committee Activity: Health & Long-Term Care: 1/26/05, 2/7/05 [DP].
Passed Senate: 3/8/05, 44-0.

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: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: The current lack of a clear regulatory authority over the amount that can be charged by IROs has created a situation in which fees vary widely for comparative services, with a few IROs charging fees beyond what appears fair and reasonable. Such costs become part of the health care plan's administrative costs and are passed through to consumers as part

of premium costs. Empowering DOH to establish a reasonable maximum fee schedule for IROs will help protect health care dollars from unreasonable, aggressive pricing.

Testimony Against: None.

Who Testified: PRO: Sydney Zvara, Association of Washington Healthcare Plans.