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**ENGROSSED SUBSTITUTE HOUSE BILL 2942**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

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

READ FIRST TIME 02/03/06.

1       AN ACT Relating to health care provider contracts; adding new  
2 sections to chapter 48.30 RCW; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4       NEW SECTION.   **Sec. 1.** A new section is added to chapter 48.30 RCW  
5 to read as follows:

6       (1) Whenever a health carrier's market share of persons covered by  
7 all health plans within a local market meets or exceeds forty percent  
8 as determined by the commissioner, the carrier may not directly, or  
9 indirectly through a subcontracted network, terminate a provider  
10 contract except for reasonable cause within that local market.

11       (2) Whenever a health carrier's market share of persons covered by  
12 all health plans within a local market meets or exceeds forty percent  
13 as determined by the commissioner, the carrier and any subcontracted  
14 network of the carrier shall offer a provider contract to any provider  
15 within the local market who meets the carrier's customary and  
16 reasonable credentialing standards and agrees to comply with the terms,  
17 reimbursement rates, termination provision, and conditions of the  
18 provider contract including provisions related to quality assurance and  
19 utilization review.

1 (3) Beginning January 1, 2007, and every two years following, after  
2 reasonable consideration of the information available from regularly  
3 filed reports by carriers doing business in this state, the  
4 commissioner shall publish a report identifying the carrier and the  
5 local market within the state where the carrier's practices must  
6 conform to the requirements of this section for the two years following  
7 such identification. In making the determination, the commissioner  
8 shall consider the carrier's local market share of persons covered  
9 under all health plans providing direct or indirect reimbursement of  
10 health care service.

11 (4) For the purposes of this section, "local market" means that  
12 geographic area within the state where the particular carrier controls  
13 forty percent or more of the market share of persons covered by all  
14 health plans such as a particular county or a particular metropolitan  
15 area as determined by the commissioner. In defining the local market,  
16 the commissioner may consider the network reports filed with the  
17 commissioner by carriers and standards used by the United States  
18 department of justice antitrust division.

19 (5) For purposes of this section, "health plan" includes a health  
20 plan as defined in RCW 48.43.005 and medical coverage programs  
21 administered by the health care authority that are underwritten by a  
22 health carrier. For the purposes of this section, "provider" means  
23 those persons who are credentialed by a disciplining authority listed  
24 under RCW 18.130.040.

25 (6) Nothing in this section may be deemed to require the  
26 commissioner to rely upon any particular source of information in  
27 making a finding required by this section.

28 (7) Nothing in this section shall diminish or impair any other  
29 statutory provision prohibiting discrimination against any class of  
30 providers.

31 (8) The provisions of this section do not apply to staff model  
32 health maintenance organizations.

33 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.30 RCW  
34 to read as follows:

35 A carrier may impose a reasonable fee to the health care provider  
36 to cover the cost of the credentialing and application of a licensed,

1 participating health care provider, and all fees must apply equally to  
2 all health professions.

3 NEW SECTION. **Sec. 3.** The insurance commissioner may adopt rules  
4 to implement this act.

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