
SUBSTITUTE HOUSE BILL 2942

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 share of a local market for health
7 plans within this state meets or exceeds forty percent as determined by
8 the commissioner, the carrier may not directly, or indirectly through
9 a subcontracted network, terminate a provider contract except for
10 reasonable cause within that local market.

11 (2) Whenever a health carrier's market share of a local market for
12 health plans within this state meets or exceeds forty percent as
13 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 area who meets the carrier's customary and reasonable
16 credentialing standards.

17 (3) Beginning January 1, 2007, and every two years following, after
18 reasonable consideration of the information available from regularly
19 filed reports by carriers doing business in this state, the

1 commissioner shall publish a report identifying the carrier and the
2 local market within the state where the carrier's practices must
3 conform to the requirements of this section for the two years following
4 such identification. In making the determination, the commissioner
5 shall consider the carrier's local market share of persons covered
6 under any agreement, plan, or policy providing direct or indirect
7 reimbursement of health care service. For the purposes of this
8 section, "local market" means that geographic area within the state
9 where the particular carrier controls forty percent or more of the
10 business for health plans such as a particular county or a particular
11 metropolitan area as determined by the commissioner. In defining the
12 local market, the commissioner may consider the network reports filed
13 with the commissioner by carriers and standards used by the United
14 States department of justice antitrust division. Nothing in this
15 section may be deemed to require the commissioner to rely upon any
16 particular source of information in making a finding required by this
17 section. Nothing in this section shall diminish or impair any other
18 statutory provision prohibiting discrimination against any class of
19 providers.

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

22 A carrier may impose a reasonable fee to the health care provider
23 to cover the cost of the credentialing and application of a licensed,
24 participating health care provider, and all fees must apply equally to
25 all health professions.

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

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