
HOUSE BILL 2944

State of Washington 59th Legislature 2006 Regular Session

By Representatives Morrell, Serben, Rodne, Cody, Green, Campbell, Curtis, Clibborn, Kessler, Moeller, McCune and Hasegawa

Read first time 01/17/2006. Referred to Committee on Health Care.

1 AN ACT Relating to health care provider contracts; and adding a new
2 section to chapter 48.43 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43 RCW
5 to read as follows:

6 (1) Every contract between a health care provider or facility and
7 a health carrier, an insurer, or other organization engaged in the
8 business of creating provider networks must conform to the provisions
9 of this section and rules adopted by the commissioner governing such
10 contracts. For the purpose of this section, "contractor" refers to
11 health carriers, insurers, and other organizations engaged in the
12 business of creating provider networks.

13 (2) Irrespective of any other remedy for violation of the
14 provisions of this section, a provider or facility contract that is
15 subject to this section and that fails to contain or otherwise
16 conflicts with the provisions of this section must be interpreted as
17 though the contract contained or conformed to provisions of this
18 section.

1 (3) Every provider contract must contain a "locum tenens" provision
2 that permits a contracted provider to select another licensed provider
3 who will serve in place of the contracted provider when the contracted
4 provider is temporarily unavailable to provide health care services.
5 The contracted provider need not select a substitute provider then
6 under contract with the contractor but the contractor may reject any
7 provider failing to meet the basic credentialing standards of the
8 contractor. The provider must notify the contractor of the
9 substitution in a reasonable time period and the substitute provider is
10 subject to the same terms and conditions as the absent, contracted
11 provider. The contractor may limit the time period of substitution to
12 sixty consecutive days in any one period of substitution.

13 (4) No contractor may directly or indirectly require a provider to
14 participate in all plans, programs, and health care arrangements as a
15 condition for participating in any of the contractor's other plans,
16 programs, or health care arrangements. For example and not as a
17 limitation of this subsection, a contractor may not require a provider
18 who has agreed to furnish care to enrollees of a health plan to also
19 participate in a discount program for uninsured health care services or
20 to participate in a property casualty insurance program.

21 (5) Every provider contract must contain procedures for an
22 independent, outside review of billing disputes. The costs for the
23 review must be borne by the provider if the independent review
24 substantially upholds the contractor's decision and by the contractor
25 if the review substantially overturns the contractor's decision. The
26 commissioner shall adopt rules governing procedures for independent
27 review of the billing disputes.

28 (6)(a) Initially upon contracting, upon the provider's or
29 facility's written request and annually thereafter on or before the
30 contract anniversary date, a contractor shall disclose to contracted
31 providers and facilities the following information in an electronic
32 format (or in writing, if agreeable to both parties):

33 (i) The complete fee schedule for the type of contracting provider
34 or facility; and

35 (ii) The detailed compensation policies and payment rules used to
36 adjudicate claims, which must, unless otherwise prohibited by state
37 law:

1 (A) When available, be consistent with current procedural
2 terminology and national medicare guidelines;

3 (B) Clearly and accurately state what is covered by any global
4 payment provisions for both professional and institutional services,
5 any global payment provisions for all services necessary as part of a
6 course of treatment in an institutional setting, and any other global
7 arrangements such as per diem hospital payments; and

8 (C) At a minimum, clearly and accurately state the policies
9 regarding: Reimbursement for multiple procedures, reimbursement for
10 assistant providers, recognition of current procedural terminology
11 modifiers, and bundling of current procedural terminology codes.

12 (b) The contractor may limit redisclosure of payment information
13 only as necessary to protect proprietary information.

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