
**Health Care & Wellness
Committee**

HB 2653

Brief Description: Studying the impact of vendor rates or cost shifting between public and private purchasers of medical services.

Sponsors: Representatives Hinkle, Cody, Green, Schual-Berke and Kenney.

Brief Summary of Bill

- Provides a study of vendor rates for medical services to determine whether the rates are reasonable and necessary to ensure medical program participants have access to accessible, quality services.

Hearing Date: 2/5/08

Staff: Dave Knutson (786-7146).

Background:

The Department of Social and Health Services (DSHS) pays health care providers rates that are lower than rates paid by private health carriers for the same services. If public rates are significantly lower than private rates it can result in health care providers limiting the number of publicly funded patients they treat or refusing to see them. It can also result in a cost shift to private health carriers by forcing health care providers to seek higher private reimbursement rates to offset the lower public rates. This results in higher health insurance premium costs for individuals and families who are covered by private health insurance, making their health coverage more expensive and less affordable.

Summary of Bill:

The Governor's Committee on Vendor Rates (Committee) will examine public rates paid to health care providers to determine whether the rates paid by the DSHS are reasonable and necessary to ensure that the DSHS medical program participants have access to accessible, quality services. The examination will determine whether there is a cost shift from public purchasers to private

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

purchasers of health care. If expansions of public medical programs are proposed or enacted, the Committee will determine whether a cost shift between public purchasers to private purchasers of health care will occur, and the extent of the cost shift. Vendor rates purchased by the DSHS must eliminate any cost shifting from public to private purchasers of health care.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.