

SENATE BILL REPORT

SB 5716

As Reported By Senate Committee On:
Health & Long-Term Care, February 26, 2007

Title: An act relating to retainer health care practices.

Brief Description: Regulating retainer health care practices.

Sponsors: Senators Keiser, Kastama, Franklin and Kline; by request of Insurance Commissioner.

Brief History:

Committee Activity: Health & Long-Term Care: 2/19/07, 2/26/07 [DPS, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5716 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Fairley, Kastama and Kohl-Welles.

Minority Report: That it be referred without recommendation.

Signed by Senators Carrell and Parlette.

Staff: Mich'l Needham (786-7442)

Background: Retainer health care, sometimes known as concierge medicine, is an approach to medical practice in which physicians charge their patients a fee or retainer in exchange for enhanced services or amenities. Retainer practices typically care for fewer patients than conventional practices and provide personalized health care services that may include same-day appointments, comprehensive annual physicals, home visits, immediate access to a physician via phone or pager, or other services.

A recent review by the U.S. Government Accountability Office indicates there are a small but growing number of retainer practices, and they are largely concentrated on the west and east coasts. A disproportionate number are in Washington State, where the idea appears to have been initiated in 1996.

The Office of the Insurance Commissioner has determined that health care providers engaged in retainer health care are subject to current state law governing health care service contractors, but believes the full scope of regulation under this law is neither practical nor warranted.

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.

Summary of Bill: The bill as referred to committee not considered.

SUMMARY OF RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Health & Long-Term Care): Retainer health care practices are defined in insurance laws, and explicitly exempted from the definition of health care service contractors. A retainer health care practice may provide primary care as outlined in the retainer agreement. The retainer agreement must be between the practice and the individual subscriber, for all primary care services in a specified time period. The retainer fee must be placed in trust for the specified service period. The practice may charge additional fees for supplies, medications and specific vaccines that are excluded from the retainer agreement.

The Insurance Commissioner will oversee the regulation of these practices, and adopt rules with a standardized disclosure form for all retainer subscribers.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This is request legislation that will allow these innovative practices to continue providing these services, while ensuring we have some safeguards for consumer protection. The current law requires we apply the full scope of insurance laws to these providers, but we don't believe that is necessary, and we would like to modify our requirements to allows some minimal oversight.

CON: This function is insurance, accepting a fixed payment for services assumes the characteristics of insurance. Allowing these providers to have minimal regulatory oversight is dangerous and provides an unequal playing field. Insurance carriers should be provided the same opportunity to offer this product as a wrap around for catastrophic policies. This creates too many restrictions on these practices. They are not insurance but rather they are private arrangements between doctors and their patients.

Persons Testifying: PRO: Mike Kreidler, Insurance Commissioner.

CON: Mel Sorenson, America's Health Insurance Plans; Debbie Ward, Group Health; Sydney Zvara, Association of Health Care Plans; Nancee Wildermuth, Regence, Aetna, PacifiCare; Ken Bertrand, Group Health; Eugene Lux, Senior Lobby; Tim Layton, Washington State Medical Association.