

HOUSE BILL REPORT

HB 1523

As Reported by House Committee On:
State Government & Tribal Affairs

Title: An act relating to electronic transactions by state purchased social and health care programs.

Brief Description: Concerning electronic transactions by state purchased social and health care programs.

Sponsors: Representatives Carlyle and Hunter; by request of Health Care Authority and Department of Social and Health Services.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 2/14/11 [DPS].

Brief Summary of Substitute Bill

- Requires that transactions relating to state-purchased health care programs be submitted and received electronically.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Hunt, Chair; Darneille, Dunshee, Hurst, McCoy and Miloscia.

Minority Report: Do not pass. Signed by 3 members: Representatives Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander.

Staff: Marsha Reilly (786-7135).

Background:

The state is a major purchaser of health care services. The departments of Social and Health Services, Health, Corrections, Labor and Industries, and Veterans' Affairs; the Basic Health Plan; the Washington State Health Care Authority; and local school districts purchase

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medical and health care, pharmaceuticals, and medical equipment with state and federal funds.

Summary of Substitute Bill:

Transactions by the Washington State Health Care Authority (Authority), the Department of Social and Health Services (DSHS), and the Department of Labor and Industries (L&I) related to state-purchased social and health care programs must be done by electronic means. Implementation of electronic transactions generally may be done in phases and may, for good cause, temporarily or permanently be waived. Transactions not submitted electronically in the manner and format prescribed may be returned without processing.

The Authority, the DSHS, and the L&I must adopt rules to implement the provisions for electronic transactions, including criteria for good cause waivers and an administrative processing fee for any charge that is not submitted electronically in the manner and format specified.

"Transactions" for the Authority and the DSHS include, but are not limited to, authorization, billing, or receipt of payment for services. "Transactions" for the L&I include, but are not limited to, billing, receipt of payments and remittance advice documents, requests for authorization of medical services, and applications to be a provider who treats injured workers. In addition, the L&I may send correspondence and other legal notices by secure electronic means.

"Good cause" means a circumstance or condition that prevents a vendor or contractor from electronically submitting or receiving the transaction. Determinations made regarding good cause are not subject to review under the Administrative Procedure Act.

Substitute Bill Compared to Original Bill:

Transactions by the L&I related to state-purchased social and health care programs must be done by electronic means.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This legislation is very simple and moves us toward a paperless model for billings. Stakeholders and agency people have worked very hard on this bill. It is a modest

approach, but does require changes in the internal processes of the agencies. The agencies involved in this bill are interested in moving toward a paperless environment. The phased-in approach is good, as is the exception process.

(Opposed) None.

Persons Testifying: Representative Carlyle, prime sponsor; and Heidi Robbins Brown, Washington State Health Care Authority and Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: None.