

# FINAL BILL REPORT

## ESHB 1790

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Synopsis as Enacted

**Brief Description:** Addressing school district contracts with direct practice health providers.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Dammeier, Sullivan, Hinkle, Green and Ormsby).

**House Committee on Ways & Means**  
**Senate Committee on Ways & Means**

### **Background:**

Legislation enacted in 2007 created a new insurance law allowing direct patient-provider primary health care practices. The direct practices were explicitly exempted from the definition of health care service contractors in the insurance law. Direct practices furnish primary care services in exchange for a direct fee from a patient. Services are limited to primary care, including screening, assessment, diagnosis, and treatment for the purpose of promotion of health, and detection and management of disease or injury. Direct practices are also allowed to pay for charges associated with routine lab and imaging services. Direct practices are prevented from accepting payments for services provided to direct care patients from regulated insurance carriers, all insurance programs administered by the Washington State Health Care Authority (Authority), or self-insured plans. Direct practices may accept payment of direct fees directly or indirectly from non-employer third parties, but are prevented from selling their direct agreements directly to employer groups.

School districts and educational service districts may bargain with their employees over "basic benefits," a limited group of benefits defined as including medical, dental, vision, group term life, and group long-term disability benefits. The benefits may be provided through contracts with private carriers, contracts with the Authority, self-insurance, or other self-funded mechanisms.

### **Summary:**

Direct agreements are added to the definition of "optional benefits" for school and educational service district employees that may be determined through collective bargaining. School and educational service district boards are authorized to make direct agreements available to employees among the other employee benefits offered to employees through

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contracts with private carriers, the Authority, or through self-insurance or self-funding. Direct practice agreements made available by school districts must comply with requirements of state laws on direct agreements.

**Votes on Final Passage:**

House	97	0	
Senate	49	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** July 22, 2011