

SENATE BILL REPORT

SB 6391

As Reported by Senate Committee On:
Health & Long-Term Care, January 30, 2012

Title: An act relating to a study and report concerning direct practices that the office of the insurance commissioner must provide to the legislature.

Brief Description: Repealing the requirement for a study and report concerning direct practices that the office of the insurance commissioner must provide to the legislature.

Sponsors: Senators Keiser and Shin; by request of Insurance Commissioner.

Brief History:

Committee Activity: Health & Long-Term Care: 1/26/12, 1/30/12 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Becker, Ranking Minority Member; Frockt, Kline, Parlette, Pflug and Pridemore.

Staff: Mich'l Needham (786-7442)

Background: Legislation passed in 2007 established direct patient-provider primary health care practices in insurance law. Direct health care practices charge patients a set fee for all primary care services provided in their office, regardless of the number of visits. No insurance plan is involved, although patients may have insurance for other services beyond primary care. The authorizing legislation requires the Office of Insurance Commissioner (OIC) to report annually to the Legislature on direct health care practices, including participation trends, complaints received, and voluntary data reported on the practices and fees. In December OIC submitted its third annual report to the Legislature, which showed there are 24 direct patient provider practices, with approximately 10,000 patients.

In addition to the annual report, OIC is required to submit a more comprehensive report in December 2012 analyzing a list of potential impacts that may be related to direct practices. The data for the more comprehensive analysis is not readily available, and the number of practices has remained very small.

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Summary of Bill: The requirement for a comprehensive report on direct practices due December 2012 is repealed.

Appropriation: None.

Fiscal Note: Not requested.

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: The study includes a number of areas outside the knowledge areas of the OIC and we do not have the appropriate data available to complete the scope of work assigned so we would have to hire a consultant to complete the analysis. We've estimated it would cost \$250,000 to complete and may not be as relevant now as was anticipated in 2007.

CON: We opposed eliminating the report with the impacts on the health system. It is important to understand the impacts on the entire market and to what extent direct practices may have impacted access to primary care for insured populations. There is no cost to the state since regulated carriers would pay for the study.

Persons Testifying: PRO: Drew Bouton, OIC.

CON: Sydney Zvara, Assn. of WA Healthcare Plans.