
Health Care & Wellness Committee

SSB 5434

Brief Description: Addressing the filing and public disclosure of health care provider compensation.

Sponsors: Senate Committee on Health Care (originally sponsored by Senators Becker, Dammeier, Keiser, Harper and Conway).

<p style="text-align: center;">Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Requires health carriers to file all provider contracts and compensation agreements with the Insurance Commissioner.• Protects provider contracts and compensations agreements from public disclosure.
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Hearing Date: 3/14/13

Staff: Jim Morishima (786-7191).

Background:

A health service contractor or a health maintenance organization must file its provider contract forms with the Insurance Commissioner (Commissioner). Any contract form not affirmatively disapproved by the Commissioner within 15 days is deemed to be approved, except that the Commissioner may extend the review period for an additional 15 days. The Commissioner may approve the contract form for immediate use at any time and may withdraw his or her approval for cause. If the Commissioner disapproves of a contract form, the health service contractor or health maintenance organization has a right to an administrative hearing on the issue.

Summary of Bill:

A health carrier (including a health maintenance organization and a health service contractor) must file all provider contracts and provider compensation agreements with the Commissioner 30 days before use. If a carrier and a provider negotiate a contract or compensation agreement

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that deviates from a previously filed contract or agreement, it must also file the contract or agreement 30 days before use.

A provider contract and its related provider compensation agreements not affirmatively disapproved by the Commissioner during the 30 day period are deemed to be approved, except that the Commissioner may extend the review period for an additional 15 days. Changes made to previously filed and approved compensation agreements must also be filed and are automatically approved upon filing if they make no changes other than to the compensation amount (and related terms that help determine the compensation amount).

The Commissioner may not base a disapproval of a provider compensation agreement on the amount of compensation or other financial arrangements, unless the compensation amount causes the underlying health benefit plan to violate state or federal law. The Commissioner does not have the authority to regulate provider reimbursement amounts.

The Commissioner may withdraw approval of a provider contract or compensation agreement at any time for cause.

Provider compensation agreements are confidential and not subject to public inspection and copying if filed through the system for electronic rate and form filings and the Commissioner's general filing instructions. If the filing fails to comply with the confidentiality filing instructions, and if the carrier indicates that the compensation agreement is to be withheld from public inspection, the Commissioner must reject the filing and notify the carrier to amend its filing to comply with the instructions.

If the Commissioner disapproves of a contract or compensation agreement, the carrier has a right to an administrative hearing on the issue.

The requirement that health service contractors and health maintenance organizations file provider contract forms with the Commissioner is eliminated.

Appropriation: None.

Fiscal Note: Available for original bill.

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