
SUBSTITUTE SENATE BILL 5215

State of Washington

63rd Legislature

2013 Regular Session

By Senate Health Care (originally sponsored by Senators Becker, Holmquist Newbry, Ericksen, Dammeier, Honeyford, and Schlicher)

READ FIRST TIME 02/22/13.

1 AN ACT Relating to health care professionals contracting with
2 public and private payors; adding a new section to chapter 18.130 RCW;
3 and adding a new chapter to Title 48 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that Washington state
6 is a provider friendly state within which to practice medicine. As
7 part of health care reform, Washington state endeavors to establish and
8 operate a state-based health benefits exchange wherein insurance
9 products will be offered for sale and add potentially three hundred
10 thousand patients to commercial insurance, and to expand access to
11 medicaid for potentially three hundred thousand new enrollees. Such a
12 successful and new insurance market in Washington state will require
13 the willing participation of all categories of health care providers.
14 The legislature further finds that principles of fair contracting apply
15 to all contracts between health care providers and health insurance
16 carriers offering insurance within Washington state and that fair
17 dealings and transparency in expectations should be present in
18 interactions between all third-party payors and health care providers.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply

2 throughout this chapter unless the context clearly requires otherwise.

3 (1) "Health care provider" or "provider" has the same meaning as in
4 RCW 48.43.005 and, for the purposes of this chapter, includes
5 facilities licensed under chapter 70.41 RCW.

6 (2) "Payor" or "third-party payor" means public purchasers, as
7 defined in this section, carriers licensed under chapters 48.20, 48.21,
8 48.44, 48.46, and 48.62 RCW, the Washington state health insurance pool
9 established in chapter 48.41 RCW, third-party payors as defined in RCW
10 70.02.010, and managed health care systems as defined in RCW 74.09.522.

11 (3) "Material amendment" means an amendment to a contract between
12 a payor and health care provider that would result in requiring a
13 health care provider to participate in a health plan, product, or line
14 of business with a lower fee schedule. A material amendment does not
15 include any of the following:

16 (a) A decrease in payment or compensation resulting solely from a
17 change in a published fee schedule upon which the payment or
18 compensation is based and the date of applicability is clearly
19 identified in the contract;

20 (b) A decrease in payment or compensation that was anticipated
21 under the terms of the contract, if the amount and date of
22 applicability of the decrease is clearly identified in the contract; or

23 (c) Changes unrelated to compensation so long as reasonable notice
24 of not less than sixty days is provided.

25 (4) "Public purchaser" means the department of social and health
26 services, the department of labor and industries, and the health care
27 authority.

28 NEW SECTION. **Sec. 3.** (1) A third-party payor shall provide sixty

29 days' notice to the health care provider of any proposed material
30 amendments to a health care provider's contract with the third-party
31 payor.

32 (2) Any material amendments to a health care provider's contract
33 only become effective if the health care provider attests in writing or
34 electronic form his or her acceptance of the material amendments.

35 (3) A health care provider's failure to accept the material
36 amendment does not affect the terms of the health care provider's
37 existing contract with the third-party payor.

1 NEW SECTION. **Sec. 4.** A payor may not, without the express written
2 agreement of the health care provider, require a health care provider
3 to extend medicaid rates, or some percentage above medicaid rates, that
4 govern a health benefit program administered by a public purchaser to
5 a commercial plan or line of business offered by a payor that is not
6 administered by a public purchaser. For the purposes of this section
7 "administered by a public purchaser" does not include commercial
8 coverage offered through the Washington health benefit exchange.

9 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.130 RCW
10 to read as follows:

11 No licensee subject to this chapter may be required to participate
12 in any public or private third-party reimbursement program or any plans
13 or products offered by a payor as a condition of licensure. For the
14 purposes of this section, "payor" has the same meaning as in section 2
15 of this act.

16 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act constitute
17 a new chapter in Title 48 RCW.

--- END ---