

HOUSE BILL REPORT

SHB 1183

As Passed Legislature

Title: An act relating to radiology benefit managers.

Brief Description: Concerning radiology benefit managers.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Harris and Cody).

Brief History:

Committee Activity:

Health Care & Wellness: 2/4/15, 2/13/15 [DPS].

Floor Activity:

Passed House: 3/9/15, 88-10.

Senate Amended.

Passed Senate: 4/13/15, 44-4.

House Concurred.

Passed House: 4/16/15, 87-9.

Passed Legislature.

Brief Summary of Substitute Bill

- Requires radiology benefit managers owned by a carrier to register with the Department of Revenue.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Rodne, Short, Tharinger and Van De Wege.

Staff: Chris Blake (786-7392).

Background:

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.

Radiology uses medical imaging technology to diagnose and treat disease. There are two primary categories of radiology: diagnostic radiology and interventional radiology. Diagnostic radiology uses medical imaging technology to diagnose a patient's symptoms, monitor responses to treatment, and to screen for illnesses. Interventional radiology uses medical imaging technology to guide procedures to treat conditions such as cancer, blockages in arteries and veins, liver problems, and kidney problems. Types of medical imaging technologies include computed tomography, magnetic resonance imaging, positron emission tomography, ultrasound, nuclear medicine, and x-rays.

Radiology benefit managers generally perform management activities related to benefits for imaging services on behalf of health carriers. These may include developing guidelines on the use of radiology services, conducting prior authorization activities, privileging certain providers to order radiology services, and profiling a provider's use of services to confirm that they meet certain benchmarks.

Summary of Substitute Bill:

Each radiology benefit manager that is owned by a health carrier must register with the Department of Revenue's Business Licensing Program. To register, a radiology benefit manager must submit an application with identifying information and a registration fee of \$200. Radiology benefit managers must renew their registrations annually.

"Radiology benefit managers" are defined as persons who contract with, or are owned by, insurers or third-party payors to provide services to: (1) process claims for services and procedures performed by radiologists or advanced diagnostic imaging services providers; and (2) pay or authorize payments to radiology clinics, radiologists, or advanced diagnostic imaging services providers for services or procedures.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 20, 2015.

Effective Date: 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 bill sets standards for radiology benefits managers. This is a good first step in making the public aware of radiology benefit management companies. There have been recent large trends in the increased use of radiology benefit managers in Washington and this may expand to other areas of health care, such as cardiology and oncology. This bill pays attention to incentives and arrangements with carriers to decrease utilization. There needs to be balance between cost savings and carrying out physicians' orders, making patients aware of prices, and focusing on quality. Radiology benefit managers can have a profound influence on a patient's access to services; however, they are unregulated by the state. This bill will require radiology benefit managers to register with the state, establish an appeals process, and adhere to auditing standards.

This will provide transparency to health plan enrollees and make sure that patients are the first priority. This bill increases the amount of information available to providers and patients when seeking radiological services.

(With concerns) Efforts to undermine the ability to manage cost and quality of products offered by plans results in higher costs to the members who are purchasing the insurance.

(Opposed) The bill uses terminology that applies to pharmacy benefit managers, not radiology benefit managers. The bill discourages utilization management services which are important for protecting patients from unnecessary care and redundant services that expose patients to radiology. Public and private health plans all demand utilization review services as a key tool to help control costs and increase quality. There are already laws to address the use of pre-service, concurrent service, post-service reviews, notices, and other assurances of appropriate utilization reviews. There needs to be a hard look at what existing Washington law already does and address any specific gaps.

Persons Testifying: (In support) Representative Harris, prime sponsor; Brad Boswell, Washington State Radiological Society; Dave Kimberling, Washington Managed Imaging; and Tierney Edwards, Washington State Medical Association.

(With concerns) Chris Bandoli, Regence Blue Shield.

(Opposed) Sydney Smith Zvara, Association of Washington Healthcare Plans; and Len Sorrin, Premera Blue Cross.

Persons Signed In To Testify But Not Testifying: None.