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## Appropriations Committee

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### HB 1652

**Brief Description:** Concerning medicaid managed health care system payments for health care services provided by nonparticipating providers.

**Sponsors:** Representatives Cody and Harris; by request of Health Care Authority.

#### Brief Summary of Bill

- Removes the July 1, 2016, expiration of provisions requiring Medicaid managed health care systems to maintain adequate provider networks and to pay nonparticipating providers no more than the lowest amount paid for the same services under contracts with similar providers in the state.
- Requires managed health care systems to make good faith efforts to contract with nonparticipating providers before paying the lowest amount paid for the same services under contracts with similar providers in the state.

**Hearing Date:** 2/18/15

**Staff:** Erik Cornellier (786-7116).

#### Background:

Medicaid is a federal-state partnership with programs established in the federal Social Security Act, and implemented at the state level with federal matching funds. Federal law provides a framework for coverage of children, pregnant women, parents, elderly and disabled adults, and other adults with varying income requirements.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services through a network of providers. Healthy Options (HO) is the Health Care Authority's Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible clients a complete medical benefits package.

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Managed care systems serving Healthy Options clients are required to pay nonparticipating providers the lowest amounts the systems pay for the same services under the systems' contracts with similar providers in the state. Nonparticipating providers must accept those rates as payment in full in addition to any deductibles, coinsurance, or copayments due from the patients. Enrollees are not liable to nonparticipating providers for covered services, except for amounts due for any deductibles, coinsurances, or copayments.

Managed care systems must maintain networks of appropriate providers sufficient to provide adequate access to all services covered under their contracts with the state, including hospital-based services. The Department of Social and Health Services and the Health Care Authority must monitor and periodically report to the Legislature on the proportion of services provided by contracted providers and nonparticipating providers for each of their managed care systems.

These requirements expire on July 1, 2016.

**Summary of Bill:**

The July 1, 2016, expiration is removed for the the requirements for Medicaid managed health care providers to maintain adequate provider networks and to pay nonparticipating providers the lowest amounts the systems pay for the same services with similar providers.

Managed health care systems must make good faith efforts to contract with nonparticipating providers before paying the lowest amount paid for the same services under contracts with similar providers in the state.

**Appropriation:** None.

**Fiscal Note:** Available.

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