

HOUSE BILL REPORT

HB 2332

As Reported by House Committee On: Health Care & Wellness

Title: An act relating to the filing and public disclosure of health care provider compensation.

Brief Description: Removing an expiration date concerning the filing and public disclosure of health care provider compensation.

Sponsors: Representative Kirby; by request of Insurance Commissioner.

Brief History:

Committee Activity:

Health Care & Wellness: 1/13/16, 1/15/16 [DP].

Brief Summary of Bill

- Removes the expiration date on provisions requiring carriers to file provider contracts and compensation agreements with the Office of the Insurance Commissioner.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 13 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

Staff: Jim Morishima (786-7191).

Background:

Prior to July 28, 2013, health care service contractors and health maintenance organizations were required to file their provider contract forms with the Insurance Commissioner (Commissioner). The Commissioner could approve the forms for immediate use. If the Commissioner took no action within 15 days, the forms were deemed approved, unless the Commissioner invoked a 15-day extension.

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.

Beginning July 28, 2013, all carriers were required to file all provider contracts and provider compensation agreements with the Commissioner 30 days before use. A provider contract and its related compensation agreements are deemed approved if the Commissioner does not disapprove them within the 30-day period; the Commissioner may extend the 30-day period by 15 days. 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.

The provisions relating to provider contracts and compensation agreements expire on July 1, 2017, after which the requirements relating to provider contract forms, as they existed prior to July 28, 2013, will go back into effect.

Summary of Bill:

The July 1, 2017, expiration date on the provisions relating to the filing of provider contracts and compensation agreements is removed.

Appropriation: None.

Fiscal Note: Available.

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) Legislation passed in 2013 laid out the requirements for issuers to provide provider contracts and compensation agreements to the Office of the Insurance Commissioner (OIC); the law also made the information exempt from public disclosure. The 2013 law struck a balance between providing the OIC with the tools it needed for regulatory purposes and preserving the confidentiality of the information. This information is important for the OIC to have from a consumer protection perspective. Making the information public would upend the competitive system set up by the Patient Protection and Affordable Care Act. This bill is a duplicate of federal requirements. The provider contracts and compensation agreements are often the product of lengthy, confidential negotiations. Confidentiality encourages providers to differentiate themselves in the market, which makes the market healthy. The sunset on the 2013 law should therefore be removed.

(Opposed) None.

Persons Testifying: Lonnie Johns-Brown, Office of the Insurance Commissioner; Katie Kolan, Washington State Medical Association; Mel Sorensen, America's Health Insurance Plans; Sydney Smith Zvara, Washington Healthcare Plans; Len Sorrin, Premera; and Zach Snyder, Regence.

Persons Signed In To Testify But Not Testifying: None.