

SENATE BILL REPORT

SHB 1183

As Reported by Senate Committee On:
Health Care, March 31, 2015

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: Passed House: 3/09/15, 88-10.

Committee Activity: Health Care: 3/26/15, 3/31/15 [DPA].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass as amended.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Frockt, Ranking Minority Member; Angel, Bailey, Brown, Cleveland, Conway, Jayapal, Keiser and Parlette.

Staff: Mich'l Needham (786-7442)

Background: 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 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 Bill (Recommended Amendments): A radiology benefit manager that is owned by an insurance carrier or acts as a subcontractor for a carrier must be registered with

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the Department of Revenue's Business Licensing Program (Department). To register, a radiology benefit manager must pay a registration fee to be established in rule, and must submit an application with the the following information:

- the identity of the radiology benefit manager;
- the name, business address, phone number, and medical director for the radiology benefit manager; and
- where applicable, the federal tax employer identification number for the entity.

A radiology benefit manager means a person that contracts with, or is owned by, a carrier or a third-party payor to:

- process claims for services and procedures performed by radiologists or advanced diagnostic imaging service providers; and
- pay radiology clinics, radiologists, or advanced diagnostic imaging service providers for services or procedures.

A radiology benefit manager does not include an insurance carrier licensed as a health care service contractor, a health maintenance organization, or an issuer defined to mean a fraternal benefit society, certified health plan, health maintenance organization, and health care service contractor.

To renew a registration, a radiology benefit manager must pay a renewal fee established in rule. All fees must be deposited in the business license account.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended Amendments): Strikes the audit standards and details, requires radiology benefit managers to register with the Department of Revenue, and requires the Department to establish the fee for registration and renewal in rule.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Substitute House Bill: PRO: We have agreed to narrow the focus on this bill with an amendment that brings the language to registration only and we anticipate ongoing discussions about the array of third-party benefit managers. Radiation benefit managers can have a profound impact on patient access to care. There is no way to monitor them or track how many are doing business in Washington. The registration will allow us to see how many radiation benefit managers are in the state.

OTHER: We are pleased the sponsors of this proposal have agreed to scope the focus of the bill back to registration and that will allow us all time to review benefit managers more broadly.

Persons Testifying: PRO: Tierney Edward, WA State Medical Assn.; Brad Boswell, WA State Radiological Society.

OTHER: Chris Bandoli, Regence BlueShield.

Persons Signed in to Testify But Not Testifying: No one.