HOUSE BILL REPORT
SSB 6358

As Reported by House Committee On:
Appropriations

Title: An act relating to requiring medicaid managed care organizations to provide reimbursement of health care services provided by substitute providers.

Brief Description: Requiring medicaid managed care organizations to provide reimbursement of health care services provided by substitute providers.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Randall, Short and Wilson, C.).

Brief History:
Committee Activity:
Appropriations: 2/29/20 [DP].

Brief Summary of Substitute Bill

- Permits hospitals, rural health clinics, and rural providers to use substitute providers in certain circumstances.
- Requires Medicaid managed care organizations (MCOs) to reimburse substitute providers that provide services to MCO beneficiaries.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Corry, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Ryu, Schmick, Senn, Springer, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

Staff: Meghan Morris (786-7119).

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

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provides a framework for medical 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. Washington's Medicaid managed care system is administered through contracts with managed care organizations (MCOs). The MCOs contract with individual health care providers, group practices, clinics, hospitals, pharmacies, and other entities to participate in their Medicaid plan's network. Persons enrolled in managed care must typically obtain services from providers who participate in the plan's network for the service to be covered.

When a non-participating provider delivers services to an enrollee covered by a state contracted MCO, the plan must 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.

A locum, or locum tenens, is a person who temporarily fulfills the duties of another. In Washington, a physician may bill Medicaid under certain circumstances for services provided on a temporary basis to their patients by a substitute, or locum tenens, physician. The physician's claim must identify the substituting physician providing the temporary services.

Summary of Bill:

Hospitals, rural health clinics, and rural providers contracted with an MCO may use substitute providers to provide services, when:

- a contracted provider is absent for a limited time period for vacation, illness, disability, continuing medical education, or other short-term absence; or
- a contracted hospital, rural health clinic, or rural provider is recruiting to fill an open position.

Managed care organizations must allow for the use of substitute providers and provide payment to substitute providers. A contracted hospital, rural health clinic, or rural provider may bill and receive payment at the contracted rate under its contract with the MCO for up to 60 days.

A substitute provider must enroll in an MCO in order to be reimbursed for services provided on behalf of a contracted provider beyond 60 days. Substitute provider enrollment in an MCO is effective on the later date of when they filed an enrollment application that was approved, or when they first began providing services. A substitute provider may not bill for the same services provided as a substitute once enrolled with an MCO.

Managed care organizations are not obligated to enroll any substitute provider who requests enrollment if they do not meet the organization's enrollment criteria.

Rural providers are physicians, osteopathic physicians and surgeons, podiatric physicians and surgeons, physician assistants, osteopathic physician assistants, and advance registered nurse practitioners who are located in a rural county. Substitute providers include physicians, osteopathic physicians and surgeons, podiatric physicians and surgeons, physician assistants, osteopathic physician assistants, and advance registered nurse practitioners.

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) This bill has been well worked with the Health Care Authority and Medicaid managed care organizations and there is no opposition to the bill. This bill is particularly important for rural health care. This bill broadens the definition of substitute providers and details when they may be used. Similar to Engrossed House Bill 1552 which passed the House and deals with commercial payers, this deals with Medicaid managed care plans in the notion that a provider, if they are going to be credentialed, may be reimbursed for services at the time they began taking care of patients. There is also no State General Fund obligation for this bill.

(Opposed) None.

Persons Testifying: Lisa Thatcher, Washington State Hospital Association.

Persons Signed In To Testify But Not Testifying: None.