

SENATE BILL REPORT

SB 6358

As Reported by Senate Committee On:
Health & Long Term Care, February 5, 2020

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: Senators Randall, Short and Wilson, C.

Brief History:

Committee Activity: Health & Long Term Care: 1/31/20, 2/05/20 [DPS-WM, w/oRec].

Brief Summary of First 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.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 6358 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Randall, Vice Chair; O'Ban, Ranking Member; Conway, Dhingra, Frockt, Keiser, Muzzall, Rivers and Van De Wege.

Minority Report: That it be referred without recommendation.

Signed by Senator Becker.

Staff: Evan Klein (786-7483)

Background: Managed care is a prepaid, comprehensive system of medical and health care delivery. It includes preventive, primary, specialty, and ancillary health services. Washington's Medicaid managed care system is administered through contracts with MCOs. The MCOs contract with individual health care providers, group practices, clinics, hospitals,

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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 the non-participating provider no more than the lowest amount paid for that service under the health care system's contracts with similar providers in the state. The payment must be accepted as payment in full and the provider may not balance bill the patient except for any deductible, copayment, or coinsurance.

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 (First Substitute): Hospitals, rural health clinics, and rural providers 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.

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

Nothing obligates a MCO to enroll any substitute provider who requests enrollment if they do not meet the organizations 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.

EFFECT OF CHANGES MADE BY HEALTH & LONG TERM CARE COMMITTEE (First Substitute):

- Clarifies that a hospital, rural health clinic, or contracted rural provider may bill for services provided by a substitute provide.
- Clarifies that a substitute provider must enroll in a Medicaid MCO in order to be reimbursed for services provided on behalf of a contracted provider beyond 60 days.

- Clarifies that a provider may not bill for the same services provided as a substitute and once enrolled with a MCO.
- Adds podiatric physicians and surgeons to the list of rural and substitute providers.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: When a provider is gone on vacation or a provider position is not filled, substitute providers can be used. However, when the substitute provider can no longer provide services due to reimbursement limitations, the provider needs to enroll with a managed care organization to continue providing services to Medicaid clients. By allowing providers to retroactively bill a MCO, the provider can get reimbursed for services provided to clients while they await enrollment with the MCO. Rural communities have limited access to providers, and this bill will ensure there are not gaps in time when a patient cannot access care from a provider being reimbursed by Medicaid. Substitute providers must still go through a rigorous credentialing process. The hope is that the MCOs will follow the same guidelines that Medicare has, where retroactive reimbursement is to the date the substitute provider submits its application for enrollment, not the date the provider is enrolled in the MCO.

Persons Testifying: PRO: Senator Emily Randall, Prime Sponsor; Melanie Stewart, Washington State Podiatric Medical Association; Chris Bandoli, Association of Washington Healthcare Plans; Julie Peterson, Kittitas Valley Healthcare; Leslie Hiebert, Klickitat Valley Health; Lauren McDonald, Washington State Hospital Association; Jason McGill, MPOI Director, Health Care Authority.

Persons Signed In To Testify But Not Testifying: No one.