
Health Care & Wellness Committee

HB 1655

Brief Description: Concerning provider contract compensation.

Sponsors: Representatives Harris and Stonier.

Brief Summary of Bill

- Requires contracts between a health carrier and a provider to include an increase from the previous year based on the consumer price index.

Hearing Date: 1/24/24

Staff: Jim Morishima (786-7191).

Background:

Health carriers enter into contracts with health care providers under which the providers agree to accept a specified reimbursement rate for their services. A health carrier must file all provider contracts and provider compensation agreements with the Insurance Commissioner (Commissioner) 30 days before use. Any provider contract not affirmatively disapproved by the Commissioner is deemed approved. The Commissioner may not base a disapproval on the amount of compensation or other financial arrangements between the carrier and the provider, unless the compensation amount causes the underlying health benefit plan to violate federal or state law.

Summary of Bill:

Compensation provisions in provider contracts relating to health plans issued on or after January 1, 2024, must include an increase in compensation from the prior year that reflects increases in

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the Consumer Price Index for all urban consumers over the previous year. This requirement does not apply to providers employed by a hospital or an affiliate of a hospital.

The Insurance Commissioner may adopt rules to implement this requirement, which must reflect standards used to determine inflationary increases in the qualifying payment amount under the federal No Surprises Act.

Appropriation: None.

Fiscal Note: Available.

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