
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-0881.1/13

ATTY/TYPIST: AL:lcl

BRIEF DESCRIPTION: Concerning health care professionals contracting with public and private payors.

1 AN ACT Relating to health care professionals contracting with
2 public and private payors; adding a new section to chapter 18.130 RCW;
3 and adding a new chapter to Title 48 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that Washington state
6 is a provider friendly state within which to practice medicine. As
7 part of health care reform, Washington state endeavors to establish and
8 operate a state-based health benefits exchange wherein insurance
9 products will be offered for sale and add potentially three hundred
10 thousand patients to commercial insurance, and to expand access to
11 medicaid for potentially three hundred thousand new enrollees. Such a
12 successful and new insurance market in Washington state will require
13 the willing participation of all categories of health care providers.
14 The legislature further finds that principles of fair contracting apply
15 to all contracts between health care providers and health insurance
16 carriers offering insurance within Washington state and that fair
17 dealings and transparency in expectations should be present in
18 interactions between all third-party payors and health care providers.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply
2 throughout this chapter unless the context clearly requires otherwise.

3 (1) "All-products clause" means a requirement in a health care
4 provider's contract with the third-party payor, as a condition of
5 participating with any of the third-party payor's health plan products,
6 that the health care provider participate in all of the products of the
7 third-party payor, present or future.

8 (2) "Health care provider" or "provider" has the same meaning as in
9 RCW 48.43.005 and, for the purposes of this chapter, includes
10 facilities licensed under chapter 70.41 RCW.

11 (3) "Payor" or "third-party payor" means public purchasers, as
12 defined in this section, carriers licensed under chapters 48.20, 48.21,
13 48.44, 48.46, and 48.62 RCW, the Washington state health insurance pool
14 established in chapter 48.41 RCW, third-party payors as defined in RCW
15 70.02.010, and managed health care systems as defined in RCW 74.09.522.

16 (4) "Public purchaser" means the department of social and health
17 services, the department of labor and industries, and the health care
18 authority.

19 NEW SECTION. **Sec. 3.** A third-party payor shall provide sixty days
20 notice to the health care provider of any proposed material amendments
21 to a health care provider's contract with the third-party payor.

22 (1) Any material amendments to a health care provider's contract do
23 not become effective without an affirmative attestation of acceptance
24 to the material amendments by the health care provider.

25 (2) Addition of an all-products clause or variation thereof is
26 considered a material amendment to a contract. If an amendment to a
27 health care provider's contract with a third-party payor includes an
28 all-products clause, the health care provider must affirmatively attest
29 to acceptance of the all-products clause.

30 (3) Adding additional products or variations of products are
31 considered material amendments to a contract. If an amendment to a
32 health care provider's contract with a third-party payor includes the
33 addition of products, the health care provider must affirmatively
34 attest to acceptance of each new product.

35 (4) Changes to fee schedules outside of those changes that are
36 common business practice are considered to be material amendments.

1 (a) If an amendment includes material amendments to fee schedules
2 for products which the health care provider has already accepted, the
3 health care provider must affirmatively attest to acceptance of the fee
4 schedule amendments.

5 (b) If an amendment includes material amendments to fee schedules
6 for products which the health care provider has not already accepted,
7 the health care provider must affirmatively attest to acceptance to
8 both the new fee schedules and the associated products.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 18.130 RCW
10 to read as follows:

11 No licensee subject to this chapter may be required to participate
12 in any public or private third-party reimbursement program or any plans
13 or products offered by a payor as a condition of licensure. For the
14 purposes of this section, "payor" has the same meaning as in section 2
15 of this act.

16 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act constitute
17 a new chapter in Title 48 RCW.

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