

## CHAPTER 83

[Substitute Senate Bill No. 5466]

## HEALTH MAINTENANCE ORGANIZATION ASSESSMENTS

AN ACT Relating to fees assessed against health maintenance organizations; and amending RCW 48.46.120.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 13, chapter 290, Laws of 1975 1st ex. sess. as last amended by section 9, chapter 296, Laws of 1986 and RCW 48.46.120 are each amended to read as follows:

(1) The commissioner may make an examination of the operations of any health maintenance organization as often as he deems necessary in order to carry out the purposes of this chapter.

(2) Every health maintenance organization shall submit its books and records relating its operation for financial condition and market conduct examinations and in every way facilitate them. The quality or appropriateness of medical services or systems shall not be examined except to the extent that such items are incidental to an examination of the financial condition or the market conduct of a health maintenance organization. For the purpose of examinations, the commissioner may issue subpoenas, administer oaths, and examine the officers and principals of the health maintenance organization and the principals of such providers concerning their business.

(3) The commissioner may elect to accept and rely on audit reports made by an independent certified public accountant for the health maintenance organization in the course of that part of the commissioner's examination covering the same general subject matter as the audit. The commissioner may incorporate the audit report in his report of the examination.

(4) Health maintenance organizations licensed in the state shall be equitably assessed to cover the cost of financial condition and market conduct examinations, the costs of promulgating rules, and the costs of enforcing the provisions of this chapter. The assessments shall be levied not less frequently than once every twelve months and shall be in an amount expected to fund the examinations, promulgation of rules, and enforcement of the provisions of this chapter, including a reasonable margin for cost variations. The assessments shall be established by rules promulgated by the commissioner but shall not exceed five and one-half cents per month per person entitled to health care services pursuant to a health maintenance agreement, excluding such persons who are not residents of this state: PROVIDED, That the minimum fee shall be one thousand dollars. Assessment receipts shall be deposited in the ((general fund, shall be accounted for separately, and)) insurance commissioner's regulatory account in the state treasury; shall be

used for the ~~((sole))~~ purpose of funding the examinations authorized in subsection (1) of this section, the costs of promulgating rules, and the costs of enforcing the provisions of this chapter; and shall be accounted for jointly with fees from health care service contractors but separately from insurers. Assessment receipts received from health maintenance organizations shall be used to pay a pro rata share of the costs, including overhead, of regulating health care service contractors and health maintenance organizations. Amounts remaining in the separate account at the end of a biennium shall be applied to reduce the assessments in the succeeding biennium.

Passed the Senate February 25, 1987.

Passed the House April 8, 1987.

Approved by the Governor April 17, 1987.

Filed in Office of Secretary of State April 17, 1987.

## CHAPTER 84

[Substitute Senate Bill No. 5830]

### ORGAN, TISSUE, AND BONE TRANSPLANTS—EXEMPTING FROM IMPLIED WARRANTY COVERAGE OF THE UNIFORM COMMERCIAL CODE

AN ACT Relating to organ transplants; and amending RCW 70.54.120.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 56, Laws of 1971 as amended by section 1, chapter 321, Laws of 1985 and RCW 70.54.120 are each amended to read as follows:

The procurement, processing, storage, distribution, administration, or use of whole blood, plasma, blood products and blood derivatives for the purpose of injecting or transfusing the same, or any of them, or of tissues, organs, or bones for the purpose of transplanting them, or any of them, into the human body is declared to be, for all purposes whatsoever, the rendition of a service by each and every person, firm, or corporation participating therein, and is declared not to be covered by any implied warranty under the Uniform Commercial Code, Title 62A RCW, or otherwise, and no civil liability shall be incurred as a result of any of such acts, except in the case of wilful or negligent conduct: PROVIDED, HOWEVER, That this section shall apply only to liability alleged in the contraction of hepatitis, malaria, and acquired immune deficiency disease and shall not apply to any transaction in which the ~~((blood))~~ donor receives compensation: PROVIDED FURTHER, That this section shall only apply where the person, firm or corporation rendering the above service shall have maintained records of donor suitability and donor identification ~~((similar to those specified in sections 73.301 and 73.302(c) as now written or hereafter amended in Title 42, Public Health Service Regulations adopted pursuant to the Public Health Service Act, 42 U.S.C. 262))~~: PROVIDED FURTHER, That nothing in