

# HOUSE BILL REPORT

## HB 1262

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### As Reported By House Committee On:

Health Care  
Appropriations

**Title:** An act relating to health care reform.

**Brief Description:** Making changes to comprehensive health care coverage.

**Sponsors:** Representatives Dyer, Backlund, Hymes, Casada and Cooke.

### Brief History:

#### Committee Activity:

Health Care: 1/26/95, 1/27/95, 1/31/95, 3/16/95 [DPS];  
Appropriations: 3/21/95 [DPS(HC)].

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Hymes, Vice Chairman; Campbell; Casada; Crouse; Sherstad and Skinner.

**Minority Report:** Without recommendation. Signed by 4 members: Representatives Dellwo, Ranking Minority Member; Cody, Assistant Ranking Minority Member; Conway and Kessler.

**Staff:** Bill Hagens (786-7131).

**Background:** The Washington Health Services Commission was created in 1993 to be the key state agency to implement health care reform. It is composed of five full-time members appointed by the Governor and the Insurance Commissioner, who serves as a nonvoting member.

The commission's powers and duties include: to establish the Uniform Benefits Package maximum premium, cost sharing levels, and methods for community rating and risk adjustment; to enforce the act, including such element as the antitrust provisions and certain insurance reforms. To assist the commission there was created a stakeholder committee, plus advisory committees for health service effectiveness, small business, labor, and seasonal employee benefits.

### **Summary of Substitute Bill:**

The Washington Health Services Commission is terminated on January 1, 1996. Its powers and duties are transferred as follows, consistent with specific enabling statutes: To the Washington State Health Care Authority: Provision relating to standard benefits package and related point-of-service cost-sharing. To the Department of Health: Provisions relating to: Health data; quality assurance; and provider credentialing. To the Office of Insurance Commissioner: Provisions relating to health carriers; antitrust; and standardized rating. To the Joint Committee on Health Systems Oversight, created herein: Provisions relating to the general oversight of health reform and monitoring the actual growth in total annual health services costs.

The Joint Committee on Health Systems Oversight is created consisting of four members of the Senate--two from each caucus and four members of the House of Representatives--two from each caucus.

The committee shall have the following powers and duties:

Oversee the implementation of health reform, related laws and activities regarding federal waivers and state compliance with federal laws and regulations;

Make recommendations to the Legislature and Governor regarding the scope, financing, and delivery of standard benefits packages;

Recommend to the Legislature standards, recognized by the health science community, for determining when a research procedure, treatment, device, drug, or other health care service is as effective as the alternative standard care;

Hire staff, who shall have extensive experience in health reform activities in Washington State; conduct appropriate studies and reviews; and make necessary recommendations to the Legislature;

Administer oaths, issue subpoenas, and compel the attendance of witnesses and the production of materials relevant to the committee's duties; and

Review rules prepared by the insurance commissioner, health care authority, Department of Health, and other health-related state agencies where appropriate in a manner similar to that of the Joint Administrative Rules Review Committee.

The Legislative Budget Committee is required to study the future need for the committee and report its recommendation to the Legislature in December 1998.

**Substitute Bill Compared to Original Bill:** Provisions in the original bill relating to benefits design, long-term care, and health insurance are deleted.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** The joint committee will be more cost effective than the commission and its activities will be more closely in-tune with the Legislature and citizens.

**Testimony Against:** The Washington Health Services Commission has made a herculean effort to implement health care reform. Its work is the best in the nation and it should not be abolished.

**Testified:** John Kvamme, Washington Association of School Administrators; Margaret Heldring, Washington State Psychological Association; Dr. Mimi Fields, Department of Health; Don Brennen and Dr. George Schneider, Health Services Commission; Dottie Nelson, Washington Physical Therapy Association; Mary Jo Wilcox, Washington Assembly for Citizens with Disabilities; and Mark Brown, Department of Labor and Industries.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill by Committee on Health Care be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Silver, Chairman; Clements, Vice Chairman; Huff, Vice Chairman; Pelesky, Vice Chairman; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; Hargrove; Hickel; Lambert; Lisk; McMorris; Sehlin; Sheahan and Talcott.

**Minority Report:** Do not pass. Signed by 10 members: Representatives Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Dellwo; G. Fisher; Jacobsen; Poulsen; Rust; Thibaudeau and Wolfe.

**Staff:** Jim Lux (786-7152).

**Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Health Care:** No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.