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## Health Care Committee

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### HB 2826

**Brief Description:** Establishing standards for health care system administration.

**Sponsors:** Representatives Schual-Berke, Benson, Cody, Campbell, Kagi, Skinner, Jackley, Lysen and Chase.

#### Brief Summary of Bill

- Creates a Committee on Health Care System Administrative Standards under the insurance commissioner to review and recommend changes in the administrative requirements of health carriers and specified state health programs for value, efficiency, and consistency.
- Requires the insurance commissioner to implement the recommendations by rule for compliance by health carriers and state agencies by July 1, 2003.

**Hearing Date:** 2/7/02

**Staff:** John Welsh (786-7133).

#### Background:

There is a concern that the administrative requirements placed on providers and facilities by health carriers and state health programs may be burdensome, raising health care costs and reducing time available for patient care.

#### Summary of Bill:

There is a legislative finding that greater scrutiny of the value, efficiency, and consistency of administrative requirements is needed to decrease health costs and increase time for patient care.

Administrative requirements include billing, claims processing, eligibility determination, treatment authorization, credentialing, utilization management, and data sharing.

A Committee on Health Care System Administrative Standards is created whose members include representatives of health care purchasers, carriers, health care facilities, health care

providers, and consumers appointed by the insurance commissioner. Ex-officio members represent the Department of Social and Health Services, the Health Care Authority's Basic Health Plan, and the Employees' Benefits Board. The committee operates within available funds under the auspices of the Office of the Insurance Commissioner.

The duties of the committee include reviewing of existing administrative requirements related to specific goals, their legal basis, purpose, value, effectiveness, consistency in programs, standardization under HIPAA, affect on patient care, and costs. The committee is to compare similar efforts to improve efficiency in the public and private sectors, and conduct analysis and prepare a health care system administrative improvement report. The report is to make findings and recommendations on purposes and principles for guidance in assessing administrative requirements; the elimination or modification of administrative requirements for consistency and value; methods to ensure appropriate reductions; and any necessary statutory or regulatory modifications. The report must be submitted to the commissioner, Governor, and Legislature by July 1, 2003.

The commissioner must, by rule, implement the recommendations of the report, and set a date not later than July 1, 2004, for compliance by carriers and state agencies.

**Appropriation:** \$100,000 for the biennium ending on June 30, 2003--Insurance Commissioner's regulatory account.

**Fiscal Note:** Not Requested.

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