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HOUSE JOINT RESOLUTION NO. 233

Offered January 25, 1994

Requesting the Joint Commission on Health Care to study the impact of managed health care system practices on the quality and competitiveness of medical laboratory services.

Patron—Callahan

Referred to Committee on Health, Welfare and Institutions

WHEREAS, the rising cost of health care in the United States and in the Commonwealth of Virginia is of concern to the General Assembly and to all citizens of the Commonwealth; and

WHEREAS, the need to identify ways to control medical costs, including the cost of medical laboratory work, while assuring access to quality health care is currently the focus of attention in the United States Congress and in numerous states, including the Commonwealth; and

WHEREAS, the General Assembly has previously authorized preferred provider organizations and other forms of managed health care systems; and

WHEREAS, the theory of such managed health care systems is that as a result of the benefit incentives favoring services of contracted providers, providers included in such networks will experience increased business volume and thus be willing to accept discounted rates as well as to participate in insurers' utilization management programs; and

WHEREAS, it is widely reported that some managed health care systems are restricting medical laboratory work to a few large laboratories for all testing needs; and

WHEREAS, such practices eliminate the competitive benefits offered by the inclusion of smaller, independent laboratories; and

WHEREAS, key managed health care system models proposed at the federal level and under examination by the states would offer laboratory contracts to large laboratories — which are either controlled by or are the subsidiaries of big business; and

WHEREAS, such a restrictive model would devastate the thousands of community-based laboratories and would ultimately mean the loss of many hundred of thousands of jobs that are currently held by the people who work there; and

WHEREAS, competition at all levels of managed health care systems is essential to assure quality service and to reduce costs; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Commission on Health Care, in cooperation with other appropriate state agencies and private groups, study the impact of managed health care systems' practices concerning the utilization of medical laboratories on (i) the Commonwealth's efforts to contain costs while assuring quality health care and (ii) competition in the marketplace among medical laboratories.

The Joint Commission on Health Care shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing legislative documents.

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