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HOUSE JOINT RESOLUTION NO. 231

Offered January 22, 1996

Establishing a joint subcommittee to review "any willing provider" proposals and similar legislation affecting managed health care cost-containment strategies.

Patrons—Watkins, Brickley, Bryant, Callahan, Croshaw, Guest, Heilig, Jackson, Parrish, Reid, Shuler and Tata; Senators: Benedetti, Holland and Miller, K.G.

Referred to Committee on Rules

WHEREAS, the predominant trend in health care coverage is toward plans that utilize managed care structures to achieve quality and economical health care delivery; and

WHEREAS, managed health care systems resulted from market demand for health care cost containment; and

WHEREAS, through the use of participating or preferred provider networks, negotiated provider fees, primary care physicians, and other managed care strategies, health care coverage plans offered by health maintenance organizations and preferred provider organizations now offer proven means of reducing health care costs; and

WHEREAS, recent legislative proposals before the Virginia General Assembly and legislatures in other states indicate that some health care providers and providers of ancillary medical services are seeking to prohibit or ban the use of managed care cost containment tools; and

WHEREAS, such efforts to legislatively disassemble effective managed care strategies have frequently taken the form of "any willing provider" legislation prohibiting the sponsors of managed care networks from limiting the number of network providers by requiring the networks to accept as participating providers any provider willing to accept the terms and conditions of network participation; and

WHEREAS, such efforts have also taken the form of legislation permitting persons covered by managed care networks to utilize certain out-of-network medical providers or services without additional cost to such persons; and

WHEREAS, such legislation represents an apparent effort to return health care coverage to the fee-for-service structures commonly associated with the severe medical cost escalation responsible for the advent of managed care plans, and is not consistent with the desires of Virginia's employer community and other significant participants in the health care coverage market who support managed care; and

WHEREAS, anti-managed care bills and study resolutions introduced in recent General Assembly sessions indicate that this trend is likely to continue; now therefore, be it

RESOLVED, by the House of Delegates, the Senate concurring, That a joint subcommittee be established to examine the impact on cost and health care delivery within the Commonwealth of (i) "any willing provider" legislation and similar initiatives, and (ii) other measures legislatively restructuring managed care plans within the Commonwealth introduced in the 1996 Session of the Virginia General Assembly or in previous sessions. The joint subcommittee shall consist of seven members to be appointed as follows: four members of the House of Delegates, to be appointed by the Speaker of the House, and three members of the Senate, to be appointed by the Senate Committee on Privileges and Elections.

The direct costs of this study shall not exceed \$4,200.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Bureau of Insurance of the State Corporation Commission. In developing recommendations, the joint subcommittee is requested to confer with commercial health insurers, sponsors of preferred provider organizations, and health maintenance organizations, physicians, and other providers of medical care and services. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1997 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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