

# 1996 SESSION

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## HOUSE JOINT RESOLUTION NO. 231

*Directing the Joint Commission on Health Care, in cooperation with the Bureau of Insurance of the State Corporation Commission, to study the effects of certain legislative proposals on managed care cost-containment strategies.*

Agreed to by the House of Delegates, February 13, 1996  
Agreed to by the Senate, February 29, 1996

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

WHEREAS, the health care industry is undergoing sweeping change in an effort to decrease health care costs; and

WHEREAS, the marketplace is determined to maximize cost-saving efficiencies and quality through various forms of managed care; and

WHEREAS, ensuring affordable and quality health care choices is critical for Virginia's employers, taxpayers, and consumers; and

WHEREAS, in response to both private and public purchasers of health care, Virginia's managed health care organizations are developing a wide variety of managed care options, including preferred provider organizations, health maintenance organizations and point-of-service plans; and

WHEREAS, physicians and other health care professionals are participating in a variety of options; and

WHEREAS, these preferred provider plans, health maintenance organizations and point-of-service options utilize limited provider networks as one mechanism to achieve the goals of affordable and quality care; and

WHEREAS, the use of these limited provider panels or networks limit the enrollee's ability to utilize or self-refer to providers that are not participating in the networks; and

WHEREAS, the restriction of the patient's ability to choose his own health care provider increases the control of the insurer over the provider and the treatment plan which results in reduced health care costs; and

WHEREAS, limitations on the patient's ability to choose his own health care provider reduces his ability to manage his own treatment by preventing him from changing providers in the event of an unsatisfactory relationship or when dissatisfied with the course of treatment or with the quality and availability of health care services; and

WHEREAS, insurers, employers, providers, employees and patients are all interested in a quality cost-efficient health care delivery system which promotes the best possible treatment outcomes and use of resources; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Commission on Health Care, in cooperation with the Bureau of Insurance of the State Corporation Commission, be directed to study the effects of certain legislative proposals on managed care cost-containment strategies. The Commission shall (i) determine whether, and the extent to which, there exists a need to intervene through legislation, including selected legislation before the 1996 General Assembly of Virginia, to ensure that managed health care preserves the health care purchasers' and consumers' ability to choose, while ensuring accountability for the costs and the quality of health care; (ii) examine the impact of legislating restrictions on selective contracting between managed care entities and health care providers; (iii) identify and examine the positive and negative effects of limiting a patient's ability to utilize providers outside of a managed care plan's established network, including whether a point-of-service option, or any other similar mechanism should be mandated through legislation; and (iv) determine the necessity of parameters to ensure the availability of such means, mechanism, or insurance product to all enrollees of managed care health insurance plans at a reasonable cost.

The Division of Legislative Services shall provide technical assistance for the study. All agencies of the Commonwealth shall provide assistance to the Commission, upon request.

The Joint Commission on Health Care shall complete its work by October 1, 1996, and shall 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 the processing of legislative documents.

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