Dynamic Chiropractic

BILLING / FEES / INSURANCE

Supreme Court Upholds "Alternative Provider" Law in Washington State

Editorial Staff

On January 1, 1996, the state of Washington made health care history with the passage of House Bill 1034. Known as the "alternative provider" statue, the law required insurers to cover services provided by all of the state's licensed categories of health care providers, including: chiropractors; medical doctors; acupuncturists; naturopaths; physicians assistants; registered nurses; podiatrists; and massage therapists.

The state's largest insurance companies immediately challenge the law in court. The outcome of that effort was a decision made by a federal judge in Tacoma, Washington in 1997. The court declared that the bill conflicted with the federal Employee Retirement Income Security Act (ERISA) barring state regulation of employer benefit plans.

In June 1998, however, the U.S. Ninth Circuit Court of Appeals in San Francisco overruled the Tacoma decision and reinstated the law. The court ruled that federal law did not prevent a state (in this case, Washington) from expanding health coverage to its residents. The court recognized that HB 1034 met the traditional tests for insurance matters and therefore fell within the state's jurisdiction.

On February 22, 1999, the U.S. Supreme Court declined to hear an appeal by the insurance industry, rejecting their attempts to have the law overturned. The justices also let stand the decision of the Ninth Circuit Court.

Now, more than four years after it was passed in the state legislature, a decision from the Washington State Supreme Court has apparently ended the insurance industry's continued hopes of repealing the law.

The latest attack on House Bill 1034 was issued this past November, when Regence BlueShield of Seattle accused the state's insurance commissioner, Deborah Senn, of interpreting the law too broadly. In their suit, Regence argued that the law should apply only to managed care plans in which a patient's health coverage is managed by a "gatekeeper," and that it should not apply to traditional insurance plans.

The court unanimously rejected Regence's claims. The court decreed that the insurance commissioner's interpretation of the statute was "consistent with the legislature's intent" and pertained to managed care plans and all health care insurance plans offered by health care insurers. The court added that "every health plan offered by Regence (with the exception of basic health model plans)" is subject to the regulations contained within the alternative provider law.

"Choice of provider is the biggest single issue in health care," Senn said after the ruling. "This law is one of the most popular health care laws that the legislature has ever passed."

Senn points out, however, that while the law gives patients the choice of care among the licensed health professionals, the law does not change what the health plans cover.

FEBRUARY 2000

©2024 Dynanamic Chiropractic™ All Rights Reserved