

FINAL BILL REPORT

SHB 1995

C 304 L 95

Synopsis as Enacted

Brief Description: Providing an exemption and an offset for insurance premium and prepayment obligations for the high risk pool.

Sponsors: House Committee on Health Care (originally sponsored by Representatives Mielke, Morris and Dyer).

House Committee on Health Care
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: The High Risk Health Insurance Pool was created in 1987 to assist persons unable to purchase insurance coverage because of serious illness. The pool statute limits premium charges. Any excess in cost beyond premiums collected is assessed against health carriers. Such assessments are tax deductions from the premium tax for disabilities insurers. Health maintenance organizations (HMO's) and health care service contractors who do not pay a premium tax, but who do pay a minimal business and occupation tax, are not eligible for the deduction.

The Washington Health Services Act of 1993 imposed a 2 percent premium tax on HMO's and health care service contractors beginning July 1, 1995, and terminated their business and occupation tax on January 1, 1996. The High Risk Pool tax deduction statute was not modified to reflect this change.

Summary: HMO's and health care service contractors are permitted to receive the High Risk Health Insurance Pool tax deductions.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	96	0	(House concurred)

Effective: May 9, 1995