

SENATE BILL REPORT

SB 6255

As Reported By Senate Committee On:
Health & Long-Term Care, January 23, 1996

Title: An act relating to approval by the insurance commissioner of premium rates.

Brief Description: Requiring approval by the insurance commissioner of premium rates for health benefit plans.

Sponsors: Senators Franklin, Wojahn, Kohl, Prentice, Quigley, Thibaudeau and Fairley.

Brief History:

Committee Activity: Health & Long-Term Care: 1/18/96, 1/19/96, 1/23/96 [DP, DNP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Fairley, Franklin and Thibaudeau.

Minority Report: Do not pass.

Signed by Senators Deccio and Moyer.

Staff: Don Sloma (786-7319)

Background: Under current law, commercial insurers who offer coverage for health services file rate changes with the state Insurance Commissioner and receive approval prior to using the rates. Health maintenance organizations and health care services contractors, however, do not. They file rate changes with the Insurance Commissioner and use them unless or until they are specifically disapproved.

Summary of Bill: Health maintenance organizations and health care service contractors must file premium rates they intend to use with the Insurance Commissioner for all of their products prior to use. Unless the rates are specifically approved by the Insurance Commissioner, they may not be used for a period of six months from filing or from the date upon which a satisfactory response has been submitted to the Insurance Commissioner's last request for data related to the rate request.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will clarify the Insurance Commissioner's role and will benefit consumers.

Testimony Against: This bill will delay decisions, cost consumers more and lead to lawsuits.

Testified: Ed Denning, Group Health (con); Mel Sorensen, WA Physicians Service (con); Rick Wickman, Blue Cross (con); Scott Denies, Pierce County Medical (con); Diane Stollenwerk, Providence Health Plan & Select Care.