FINAL BILL REPORT
2SHB 1191

C 412 L 97

Synopsis as Enacted

Brief Description: Providing for review of mandated health insurance benefits.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Backlund, Dyer, Skinner and Sherstad).

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

Background: Mandated benefits (MBs) require that health carriers cover or offer to cover a specific health care service or reimburse specific types of health care providers. MBs were adopted after full benefits packages, including doctors, hospitals, and drugs became common insurance products. These full benefits packages were developed primarily through collective bargaining agreements between employers and employees. MBs do not represent a core benefits package, but rather a peripheral set of specific covered services and providers. Washington has 17 mandated benefit laws. Ten of those laws affect group coverage, while seven affect both individual and group insurance products.

Research on MBs has been controversial and inconclusive. Findings addressing impact on enrollee health status has been spotty.

In 1984, an MB review statute was adopted in Washington. Although this law may have discouraged some MB proposals, it has never been used as written. Further, 11 of the 17 mandates have been enacted since the law's adoption. The current process does not include a precise definition of mandated benefits and sets forth no clear time line for review. The American Legislative Exchange Council has prepared a model act under which proposed mandated benefits could be reviewed. This measure is based on that model.

Summary: A mandated benefit is defined as coverage or offerings required by law to be provided by a health carrier to cover a specific health care service or condition, or to contract, pay, or reimburse specific categories of health care providers for specific services. The Medical Assistance Program, Basic Health Plan, public employee coverage, and scope of practice issues are excluded from this definition.

Persons or organizations seeking to establish a mandated benefit must, at least 90 days prior to a regular legislative session, submit a mandated benefit proposal to the appropriate committees of the Legislature; those committees are to assess the proposed benefit in terms of its social impact, its financial impact, and its impact on health care service efficacy.

If such a request is made, the Department of Health (DOH) must report to the Legislature on the appropriateness of adoption no later than 30 days prior to the legislative session during which the proposal is to be considered.

The DOH may modify these criteria to reflect new relevant information and may seek appropriate advice from interested parties.

The Health Care Authority must review the proposal for reasonableness and accuracy.

Votes on Final Passage:

House 95 1
Senate 30 17 (Senate amended)
House 62 29 (House concurred)

Effective: July 27, 1997