HOUSE BILL ANALYSIS
ON
HB 1387

Brief Description: *Clarifying the frequency of filing of rate adjustments for mandatory offering of basic health plan benefits.*

BACKGROUND: *There are three primary types of health carrier: (1) a traditional health insurer that provides reimbursement for or payment of covered health services; (2) a health care service contractor, an association of providers that provide health care services; and (3) a health maintenance organization, an organization which also provides health care services. Health carriers are regulated by the Office of the Insurance Commissioner (OIC). Health carriers must offer individuals and employers with 26-50 employees a plan equivalent to the services contained in the Basic Health Plan. Individuals and employers with 26 or more employees may buy any insurance coverage that includes statutorily mandated benefits.*

Rates for health plans also are regulated by the OIC. Generally, health plan rates must be reasonably related to benefits provided. Health plans for individuals and small employers (50 or fewer employees) are subject to adjusted community rating. The rate charged for a health plan (premium) for individuals and small employers can only be adjusted annually except for changes in family composition, changes to benefits requested by the individual or employer, or changes due to government regulations.

SUMMARY: *Although a health care service contractor generally cannot adjust the rate (premium) more frequently than annually, the health care service contractor can file rate adjustments more frequently than annually for health plans offered to small employers.*

Fiscal Note: *Not requested.*

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

Rulemaking: *No specific authority.*