

HOUSE BILL ANALYSIS

ON

HB 1840

Brief Description: Requiring that persons who are appointed or authorized to solicit applications for enrollment in the Washington basic health plan comply with the insurance code.

BACKGROUND: The Basic Health Plan (BHP) is a state-funded health insurance program that offers subsidized coverage for individuals whose incomes are below 200 percent of the federal poverty level. In addition, unsubsidized enrollment is available for any individual, family or group in the state. The BHP offers coverage for hospital, outpatient and related health services with no deductible and modest co-payments. *T h e BHP is administered by the Health Care Authority, which contracts with privately owned and operated managed care health plans.*

An agent is a person authorized by an insurance company or health plan to represent the company or plan, primarily in the solicitation of applications. Agents are regulated by the Office of the Insurance Commissioner (OIC) and must comply with statutory requirements and OIC rules. For instance, agents must be licensed and meet continuing education requirements.

The Basic Health Plan (BHP) and managed care plans participating in the BHP do not have to comply with most of the insurance code, including not having to comply with provisions regarding agents.

SUMMARY: Persons authorized to solicit applications for the Basic Health Plan,

including the Health Care Authority, must comply with the provisions in the insurance code regarding agents.

Fiscal Note: *Not requested.*

Effective Date: *Ninety days after adjournment of the session in which the bill passes.*

Rulemaking: *Not addressed.*