

HOUSE BILL ANALYSIS

HB 2248

Brief Description: Eliminating basic health plan agents' and brokers' commissions.

Background: During the 1993-95 biennium, Basic Health Plan (BHP) enrollments lagged behind projections. In 1995, a number of changes were made to the BHP in an effort to boost enrollments. Among these changes, Chapter 265, Laws of 1995, created an entitlement for health insurance agents and brokers to receive a commission for individual or group enrollments in the BHP. Commissions are paid when a person actually enrolls, not when they sign up for the waiting list, and commissions are not paid for renewals.

The 1995-97 Operating Budget provided sufficient funding for 100,000 individual enrollees and 100,000 employer-sponsored enrollees. Total enrollments in the BHP are currently lidded at 130,000. The lower enrollment figure is due to difficulties in reaching the targeted number of employer-sponsored enrollments and the higher cost of individual enrollees. Approximately 4,000 new enrollees are able to join the BHP each month because of turnover.

Summary: The section entitling health insurance agents and brokers to a commission for BHP enrollments is deleted.

Fiscal Note: Requested on March 25, 1997.