

1387-S

Sponsor(s): House Committee on Financial Institutions & Insurance
(originally sponsored by Representatives Zellinsky, K. Schmidt, L.
Thomas, Johnson, Huff and Dyer)

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

HB 1387-S - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Declares that the frequency of filing of rate adjustments for
new and renewing individuals is limited to once every six months.

VETO MESSAGE ON HB 1387-S

May 19, 1997

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House
Bill No. 1387 entitled:

"AN ACT Relating to mandatory offering of basic health plan
benefits;"

This proposal would allow health insurers, health care service
contractors and health maintenance organizations to file for rate
increases every six months rather than annually. It would decrease
consumer certainty regarding insurance rates and increase
administrative costs of individual and small employer health
benefit plans. In addition, community rates are currently
estimated and adjusted by the Office of Insurance Commissioner on
an annual basis; more frequent filings would be at odds with those
calculations. This legislation does not solve a compelling problem
and it negatively impacts consumers.

For these reasons, I have vetoed Substitute House Bill No.
1387 in its entirety.

Respectfully submitted,
Gary Locke
Governor