

HOUSE BILL REPORT

HB 2430

As Reported by House Committee On:

Health Care

Title: An act relating to access to health insurance for small employers and their employees.

Brief Description: Providing for greater access to health insurance for small employers and their employees.

Sponsors: Representatives Kessler, Cody, Schual-Berke, Veloria, Chase, Dickerson, Santos, Haigh and Kenney.

Brief History:

Committee Activity:

Health Care: 1/24/02, 2/8/02 [DPS].

Brief Summary of Substitute Bill

- The requirement that health carriers offer a basic health lookalike insurance plan is eliminated.
- The Health Care Authority and the Department of Social and Health Services are required to determine whether it is appropriate to use public funds to subsidize employer-sponsored health insurance.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cody, Chair; Campbell, Ranking Minority Member; Alexander, Ballasiotes, Benson, Edwards, Ruderman and Skinner.

Minority Report: Do not pass. Signed by 3 members: Representatives Schual-Berke, Vice Chair; Conway and Darneille.

Staff: Dave Knutson (786-7146).

Background:

Currently, a health carrier that offers any health benefit plan to a small employer is required to offer and market a health benefit plan that is identical to the benefits offered a

person covered by the Basic Health Plan. Premium rates for health benefit plans for small employers cannot exceed 375 percent of the lowest rate for any age group. Some low-income workers may be eligible for coverage under the Basic Health Plan or the Medicaid program. Public funds are not currently used to subsidize employer-sponsored health insurance for such workers.

Summary of Substitute Bill:

The requirement that a health carrier must offer a health benefit plan for small employers identical to the Basic Health Plan is eliminated. Premium rates for health benefit plans for small employers cannot exceed 500 percent of the lowest rate for all age groups on January 1, 2003. The Health Care Authority and the Department of Social and Health Services are required to establish pilot projects to determine whether it is appropriate to use public funds to subsidize the premiums of employer-sponsored health insurance.

Substitute Bill Compared to Original Bill:

The substitute bill clarifies that advanced registered nurse practitioners and podiatry services will be available in the economy plans. The requirement that five standard small group plans be developed by the insurance commissioner is removed and replaced with the requirement to offer three additional plans of the health carriers choosing. The pilot projects for employer subsidized insurance do not need to be requested by an entity that received funding from the Health Resources and Services Administration.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Substitute Bill: The bill takes effect on January 1, 2003.

Testimony For: Small business needs assistance to continue to offer affordable health insurance for their employees.

Testimony Against: Removing existing service coverage for certain health care services is bad for consumers. Health carriers should not have to offer five standard plans. Business should have fewer requirements and greater flexibility.

Testified: (Support) Representative Kessler, prime sponsor.

(Oppose) Lucy Homans, Washington State Psychological Association; and Lori Belinski, Washington State Chiropractic Association.

(Concerns) Mel Sorensen, Employer Healthcare Coalition; Carolyn Logue, National Federation of Independent Business; Mellani Hughes, Association of Washington Business; Greg Seifert, Washington Association of Health Underwriters; Gary Smith, Independent Business Association; Donna Steward, Association of Washington Healthcare Plans; Callie Denton, Regence; Tom Beechen, Group Health; Jan Wolfram, Washington Association of Diabetes Education; Frank Morrison, Washington State Podiatric Medical Association; and Lisa Grayson, Washington Association of Nurse Anesthetists.