

HOUSE BILL REPORT

HB 2972

As Amended by the Senate

Title: An act relating to community rates for health benefit plans.

Brief Description: Determining community rates for health benefit plans.

Sponsors: By Representatives Clibborn, Hinkle, Curtis, B. Sullivan, Cody, Moeller, P. Sullivan, Kenney, Kilmer and Jarrett.

Brief History:

Committee Activity:

Health Care: 1/26/06, 1/31/06 [DP].

Floor Activity:

Passed House: 2/8/06, 98-0.

Senate Amended.

Passed Senate: 3/2/06, 44-0.

Brief Summary of Bill

- Health carriers may offer health benefit plans for groups of 500 or more people in the same industry which allow contributions from more than one employer.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 14 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Appleton, Bailey, Clibborn, Condotta, Green, Lantz, Moeller and Schual-Berke.

Staff: Dave Knutson (786-7146).

Background:

Many part-time workers lack health insurance. Workers who work for multiple employers have difficulty obtaining employer sponsored health insurance coverage. Employers of part-time employees are not required to provide health insurance coverage.

Summary of Bill:

Health benefit plans may be offered to individuals who are part of a purchasing pool consisting of 500 people in the same industry. The plans will allow contributions from more than one employer and will have premiums calculated using an adjusted community rating method spreading financial risk across the entire purchasing pool the individual belongs to.

EFFECT OF SENATE AMENDMENT(S):

The legislation will not go into effect until a federal opinion is received by the Insurance Commissioner that the provisions of this Act are legal.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: We need new innovative solutions to help low-income workers get and keep health care coverage.

(With concerns) This proposal mixes regulatory requirements of both the individual market and the small group market. It is not clear if this is permitted under federal law.

Testimony Against: None.

Persons Testifying: (In support) Representative Clibborn, prime sponsor; Representative Hinkle; Randy Ray, Marshall Coba, and Gordon Baxter, Dominion; Paul Guppy, Washington Policy Center; and Trent House, Washington Restaurant Association.

(With concerns) Mary Clogston, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: None.