

HOUSE BILL REPORT

HB 1685

As Reported by House Committee On:
Health Care

Title: An act relating to health insurance policies.

Brief Description: Concerning health insurance policy mandates.

Sponsors: Representatives Bailey, Curtis, Skinner, Orcutt, Armstrong, Shabro, Strow, Serben, Roach, Rodne, Schindler and Condotta.

Brief History:

Committee Activity:

Health Care: 2/28/05, 3/1/05 [DPS].

Brief Summary of Substitute Bill

- Imposes a moratorium on new health care coverage mandates and requires a study of existing mandates.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Appleton, Clibborn, Condotta, Green, Hinkle, Lantz, Moeller, Schual-Berke and Skinner.

Staff: Dave Knutson (786-7146).

Background:

In 2002, the Office of the Insurance Commissioner issued a report titled "Mandated Benefits in Washington State." The report identified the following 39 mandated health benefits, and their date of enactment:

Required Services:

Chemical dependency - 1974

Dependent child coverage from the moment of birth - 1974, 1984

Prohibition of benefit reduction based on existing coverage
(Coordination of Benefits) - 1983

Reconstructive breast surgery - 1983

Mastectomy and lumpectomy - 1985

Basic Health Plan Benefits - 1987, 1993
Phenylketonuria (PKU) - 1988
Neurodevelopmental therapy - 1989
Mammograms - 1989
Maternity care stays (Erin Act) - 1996
Newborn coverage for 21 Days (Erin Act) - 1996
Diabetes coverage - 1997
Emergency services to screen and stabilize - 1997
Long-term care hospital follow-up - 1999
Maternity and drugs in the individual market - 2000
General anesthesia for dental procedures - 2001

Required Offerings:

Home health and hospice - 1983
Mental health - 1983
Chiropractic care - 1983, 1986
Prenatal diagnosis of congenital defects - 1988
Temporomandibular joint disorders (TMJ) - 1989

Required Access to Providers:

Chiropody - 1963
Podiatry - 1983
Foot Care Services - 1983
Optometry - 1965
Chiropractic care - 1971
Psychological services - 1971
Registered nurses and advanced registered nurse practitioners - 1973
Denturist Services - 1995
Every Category of Provider - 1995, 1997
Women's health care provider self referral - 1995
Chiropractic care, nonreferral access - 2000

Establishing Eligibility:

Dependent child coverage continued for incapacity - 1969, 1977, 1984
Dependent child coverage from moment of birth - 1974, 1984
Continuation of coverage for former spouse and dependents - 1980
Group conversion plan to be offered - 1984
Continuation of benefits - 1984
Coverage for adopted children - 1986
Guaranteed issue to new members of a group,
and continuity of group contract coverage - 2000
Portability - 1995, 2000, 2001

Also, in 2004 the Legislature prohibited all health carriers from denying coverage for the treatment of an injury solely because the injury resulted from the use of alcohol or narcotics.

There has been ongoing controversy over the costs and benefits of mandated health services and their effect on overall health care costs.

Summary of Substitute Bill:

The Office of the Insurance Commissioner will contract for an independent actuarial review of all existing health care coverage statutory requirements. The review will include the costs associated with the specific statutory requirement, and whether there are documented savings or cost offsets. An interim report will be provided to appropriated legislative committee by December 1, 2005, and a final report by December 1, 2006.

Substitute Bill Compared to Original Bill:

The substitute bill removes the moratorium on new mandated health benefits. Interim and final reporting deadlines are added.

Appropriation: None.

Fiscal Note: Requested on February 27, 2005.

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

Testimony For: Mandated health benefits are a major reason why health care costs are escalating so rapidly. We need to get a handle on all these mandates and what their true cost is.

Testimony Against: Some statutory requirements, like Every Category of Provider, are not mandated benefits, they are anti-discrimination provisions.

Persons Testifying: (In support) Representative Bailey, prime sponsor; Daniel Mead Smith, Washington Policy Center; Mellani Hughes McAleenan, Association of Washington Business; Carolyn Logue, National Federation of Independent Business; and Gary Smith, Independent Business Association.

(Opposed) Lori Bielinski, Washington State Chiropractic Association; Gail McGaffick, Washington Acupuncture and Oriental Medicine Association; and Melanie Stewart, American Cancer Society, American Massage Therapy Association of Washington, and Washington Osteopathic Medical Association.

Persons Signed In To Testify But Not Testifying: None.