
Health Care Committee

HB 2540

Brief Description: Revising provisions addressing access to individual health insurance coverage.

Sponsors: Representatives Schual-Berke and Morrell.

Brief Summary of Bill

- Adds a consumer representative, and removes an insurance industry representative from the board of the Washington State Health Insurance Pool.
- Authorizes the Insurance Commissioner to review and approve the standard health questionnaire.
- Increases the amount of benefits the Pool may pay for an individual from \$1 million to \$2 million dollars.

Hearing Date: 1/17/06

Staff: Dave Knutson (786-7146).

Background:

The Washington State Health Insurance Pool provides health insurance coverage for individuals who take the standard health questionnaire when applying for individual health insurance and do not pass. It is governed by a board of 10 members who include one health care provider, one health insurance agent, one small employer, one large employer, two consumers, and four representatives of health carriers. Coverage under the Pool includes a lifetime limit of \$1 million dollars in benefits. The board develops the standard health questionnaire which is not subject to review or approval by the Insurance Commissioner. The standard health questionnaire is designed to identify the 8 percent of persons who are the most costly to treat who are under individual coverage in health benefit plans. The 8 percent of persons may be denied coverage by health carriers and then apply for coverage through the Pool. Catastrophic health plans currently have a calendar year deductible of at least \$1,500 and an annual out-of-pocket expense of at least \$3,000. All individual health plans are required to provide a prescription drug benefit with at least a \$2,000 annual benefit.

Summary of Bill:

A consumer representative is added, and an insurance industry representative is removed from the board of the Washington State Health Insurance Pool. The Insurance Commissioner is authorized to review and approve the standard health questionnaire. The amount of benefits the Pool may pay for an individual in their lifetime is increased from \$1 million to \$2 million dollars. The amount of individuals who may be screened out by the standard health questionnaire is reduced from 8 percent to 6 percent. The benefit policy offered by the Pool must be designed to identify enrollees with one or more chronic health conditions and provide appropriate cost-effective care to address their needs. Each December, Pool enrollees may move to any other policy offered by the Pool. Immunity language for the Pool, its enrollees, board members, staff, and other associated with it is clarified. Catastrophic health plan deductibles are increased from \$1,500 to \$1,750 and out-of-pocket expenses from \$3,000 to \$3,500. For policies covering more than one enrollee, the deductible increases from a minimum of \$3,000 to \$3,500 and out-of-pocket expenses are increased from \$5,500 to \$6,500. The Insurance Commissioner is authorized to update these figures annually to reflect the consumer price index for medical care for the preceding 12 months. The value of a prescription drug benefit available through an individual health benefit plan is increased from \$2,000 per year to \$2,500 per year, and will be increased by no less than \$100 per year on January 1 of each year.

Appropriation: None.

Fiscal Note: Not requested.

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