

# SENATE BILL REPORT

## SB 5529

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As of February 2, 2005

**Title:** An act relating to continuing health insurance coverage for convicted felons.

**Brief Description:** Continuing health insurance coverage for convicted felons.

**Sponsors:** Senators Fairley and Kohl-Welles.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Consumer Protection: 2/1/05.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

**Staff:** Jennifer Arnold (786-7471)

**Background:** Under current law, there are no statutory safeguards to prohibit a health care service contractor from denying a person health coverage, based solely upon a felony conviction. Further, health maintenance organizations (HMOs) are not required by statute to continue to offer coverage to a convicted felon or that felon's dependents.

**Summary of Bill:** A person cannot be denied health care coverage based solely upon a felony conviction.

In regards to the dependents of a convicted felon, if the named-policy holder of a pool policy is convicted of a felony, the dependents or all other individuals covered under the same policy prior to the conviction, may, within a specified period, opt to continue coverage. In addition, the dependents of a person that becomes ineligible for coverage of group hospital and medical expenses due to a felony conviction must be offered by the health care service contractor the option to continue coverage.

Notice from an HMO to cancel, deny, or refuse to renew any individual's health maintenance agreement must include a written statement of a convicted felon's and their dependents' right to continue coverage upon payment of the coverage premium.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** A health care carrier shouldn't be allowed to drop a client who is incarcerated for a felony, if that client's premiums have been paid. The state should not bear the cost of providing health care coverage to those that would have insurance, but for the fact that they were dropped due to incarceration. Further, the dependents of incarcerated persons

should be allowed to continue health care coverage, if the premiums are paid. This bill would help those that have their own insurance and are paid up, but whose policies have lapsed, without an opportunity for renewal, solely because they have been in prison for a number of years.

**Testimony Against:** None.

**Other:** This bill only would apply to about a handful of persons, as most prisoners are indigent without private health care coverage. This could also apply to persons incarcerated in county jails, not just state prisons. DOC currently provides primary health care to inmates; this would make primary care take place outside the prisons at group health facilities. Persons that have committed felonies against a health care service provider or an HMO should not be allowed to receive continued coverage from that carrier while in prison. The bill is too vague and broad. Dependents of inmates have other opportunities currently for health coverage, such as the Consolidated Omnibus Budget Reconciliation Act (COBRA) or getting a job with an employer that has a plan.

**Who Testified:** PRO: Senator Fairley, prime sponsor. OTHER: Elizabeth Anderson, Department of Corrections; Ken Bertrand, Group Health.