

SENATE BILL REPORT

SB 6761

As of January 28, 2006

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

Brief Description: Determining community rates for health benefit plans.

Sponsors: Senators Parlette and Keiser.

Brief History:

Committee Activity: Health & Long-Term Care: 2/2/06.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Jonathan Seib (786-7427)

Background: Under current Washington law, the premium paid by a person enrolled in an individual health insurance policy must be calculated using an adjusted community rating method. That is, the cost of covering all of a carrier's individual enrollees must be spread evenly across the enrollees, regardless of health status or service utilization. This community rate may be individually adjusted based only on geographic area, family size, age, tenure with the carrier, and participation in wellness activities. Variations based on age, tenure, or wellness activities are limited to a certain percentage difference.

Summary of Bill: Premiums for health benefit plans for individuals who purchase the plan as a member of a purchasing pool (1) consisting of 500 or more individuals affiliated with a particular industry; (2) to whom care management services are provided as a benefit of pool membership; and (3) which allows contributions from more than one employer to be used towards the purchase of an individual's health benefit plan must be calculated using the adjusted community rating method that spreads the cost across the entire purchasing pool of which the individual is a member.

Members of such purchasing pools will be rated separately from the remainder of a carrier's individual product population, but are otherwise subject to the same rating requirements and restrictions.

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.