

HOUSE BILL REPORT

HB 1538

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to an independent study of health benefit requirements.

Brief Description: Requiring an independent study of health benefit requirements.

Sponsors: Representatives Bailey, Linville, Hinkle, Alexander, Haler, Strow, Rodne, Warnick, Morrell, Green and Ericksen.

Brief History:

Committee Activity:

Health Care & Wellness: 2/21/07, 2/27/07 [DPS].

Brief Summary of Substitute Bill

- The Office of the Insurance Commissioner will contract for an independent review of health insurance mandates and their effect on health insurance premiums.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Barlow, Campbell, Condotta, Curtis, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

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

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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

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. In 2005, the Legislature mandated mental health parity for groups over 50.

There has been ongoing controversy over the costs and benefits of mandated health services and their effect on overall health care costs. In addition to mandated health services, statutory rating requirements and other statutes and rules are believed by some to contribute to the cost of individual and small group health insurance.

Summary of Substitute Bill:

The Office of the Insurance Commissioner will contract for an independent review of all existing health care coverage and statutory rating requirements. The study will focus on the items that contribute to the cost of health insurance. 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 the Governor and the Legislature by December 1, 2007, and a final report by December 1, 2008.

Substitute Bill Compared to Original Bill:

The ability of in-state and out-of-state insurance carriers to identify the items to study is removed.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) It is important to have an objective, professional study to identify statutory requirements that contribute to the cost of health care.

(Opposed) None.

Persons Testifying: Representative Bailey, prime sponsor; Nancee Wildermuth, Regence Blue Shield, Aetna, and PacifiCare; and Mel Sorenson, Washington Association of Health Underwriters and America's Health Insurance Plans.

Persons Signed In To Testify But Not Testifying: None.