

SENATE BILL REPORT

SB 5223

As Reported By Senate Committee On:
Health & Long-Term Care, January 29, 2007

Title: An act relating to providing insurance coverage to dependent children.

Brief Description: Providing insurance coverage to dependent children.

Sponsors: Senators Keiser, Parlette, Franklin, Kastama, Kohl-Welles, Pflug, Regala, Rasmussen and Kline.

Brief History:

Committee Activity: Health & Long-Term Care: 1/22/07, 1/29/07 [DPS-WM].
Ways & Means: 2/28/07.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5223 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Carrell, Fairley, Kastama, Kohl-Welles, Marr and Parlette.

Staff: Mich'l Needham (786-7442)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Elaine Deschamps (786-7441)

Background: Current law does not require insurance carriers to cover dependent children. Those disability insurance, health care service contracts, and health maintenance agreements that provide coverage of dependent children allow the maximum age for dependents to be determined in contract, and many terminate eligibility for dependents at age 19. Some policies allow dependents enrolled full-time in college to continue coverage for longer, and disabled dependents incapable of self-support are allowed to remain on their parents' coverage.

Young adults ages 19 to 25 represent nearly 30 percent of the uninsured population in Washington, and are the fastest growing segment of the uninsured.

Summary of Bill: Any disability insurance, health care service contract, or health maintenance agreement that provides coverage for dependent children must cover unmarried dependent children up to age 25.

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.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Health & Long-Term Care): Insurance carriers offering coverage for dependents must allow the subscriber to extend coverage for their unmarried dependent child up to age 25.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: (Health & Long-Term Care) PRO: This targets the largest uninsured age group, and follows what many states have already done. Most insurance purchasers/employers accept the standard contract with dependent coverage up to 25, but it may be important to retain flexibility for employers. This does not create a big impact on insurance carriers.

Persons Testifying: (Health & Long-Term Care) PRO: Senator Keiser, prime sponsor; Sarah Cherin, Children's Alliance; Karen Merrikin, Group Health; Bill Daley, Washington Community Action Network; Nancee Wildermuth, Regence Blue Shield, PacifiCare & Aetna.

Staff Summary of Public Testimony (Ways & Means): PRO: This bill has a minor fiscal impact but represents a very important expansion of coverage to dependents.

OTHER: The Internal Revenue Service considers dependent children differently. We have simple language to propose that is very clear and won't change the substance of the bill.

Persons Testifying (Ways & Means): PRO: Bill Daley, Washington Community Action Network.

OTHER: Mellani McAleenan, Association of Washington Business.