

# SENATE BILL REPORT

## SB 5731

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As of February 5, 2009

**Title:** An act relating to distribution of health plan information.

**Brief Description:** Distributing health plan information.

**Sponsors:** Senators Keiser and Pflug.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/05/09.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Mich'l Needham (786-7442)

**Background:** The 2000 Legislature passed the health care patient bill of rights which established standards for health plan communication with enrollees, and protections of health care privacy. The insurance carriers are required to provide full descriptive information about their health plans and benefits upon request. Information that must be made available prior to purchase includes the covered benefits including the prescription drug benefits and any formulary, a list of benefit exclusions or limitations, policies for protecting confidential information, premium and cost-sharing requirements, a summary of the grievance process, a statement on point-of-service options, and a list of participating providers.

Upon request, insurance carriers must provide an array of written information that includes, but is not limited to, a full description of the procedures for consulting a specialist, the procedures for prior authorization, a description of the reimbursement or payment arrangement between a carrier and provider, a description of incentives or penalties intended to encourage providers to minimize referrals, and accreditation status. Carriers must communicate the information by means that ensure a substantial portion of the enrollee population can make use of the information.

**Summary of Bill:** Insurance carriers are permitted flexibility to explore alternative methods of communicating with enrollees. Alternatives may include website alerts, postcard mailings, and electronic communication in lieu of printed materials. Rules established by the Office of the Insurance Commissioner must consider opportunities to reduce health plan administrative costs.

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*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.*

**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.

**Staff Summary of Public Testimony:** PRO: It costs a lot to mail health plan booklets every year, and people don't read through them. It would be more efficient to have the materials available by internet or by phone. It makes sense in this economy to save administrative costs where we can. The information still needs to be transparent and available, but it can be done in a way that saves some expense.

**Persons Testifying:** PRO: Senator Keiser, prime sponsor.