

**SHB 1220 - H AMD 89**

By Representative Rolfes

WITHDRAWN 03/04/2011

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 48.02.160 and 1988 c 248 s 1 are each amended to read  
4 as follows:

5 The commissioner shall:

6 (1) Obtain and publish for the use of courts and appraisers  
7 throughout the state, tables showing the average expectancy of life and  
8 values of annuities and of life and term estates.

9 (2) Disseminate information concerning the insurance laws of this  
10 state.

11 (3) Except as provided in subsection (4) of this section, provide  
12 assistance to members of the public in obtaining information about  
13 insurance products and in resolving complaints involving insurers and  
14 other licensees.

15 (4)(a) Except as provided in (b) of this subsection, for a rate  
16 filing for an individual or small group health benefit plan with an  
17 effective date on or after January 1, 2012, subsection (3) of this  
18 section applies only to the numeric values of each rating factor used  
19 by a health carrier. The remainder of the rate filing shall be open to  
20 public inspection subject to subsection (5) of this section.

21 (b) Subsection (3) of this section shall continue to apply for a  
22 period of one year from the date a new individual or small group  
23 product filing is submitted or until the next rate filing for the  
24 product, whichever occurs earlier, if the commissioner determines that  
25 the proposed rate filing is for a new product that is distinct and  
26 unique from any of the carrier's currently or previously offered health  
27 benefit plans. A carrier must make a written request for a product  
28 classification as a new product under this subsection (4)(b) and must  
29 receive subsequent written approval by the commissioner for this  
30 subsection (4)(b) to apply.

1 (5) Unless the commissioner has determined that a filing is for a  
2 new product pursuant to subsection (4) of this section, for individual  
3 or small group health benefit rate filings with an effective date on or  
4 after January 1, 2012, the commissioner shall:

5 (a) Make the portions of each rate filing that are open to public  
6 inspection available for public inspection on the tenth calendar day  
7 after the commissioner determines that the rate filing is complete and  
8 accepts the filing for review through the electronic rate and form  
9 filing system;

10 (b) Prepare a rate disclosure summary form in a standard format  
11 that is written in plain language easily understood by the general  
12 public. The summary must allow carriers to explain the relationship  
13 between premium and health care cost drivers. The summary must set  
14 forth, at a minimum, the following: (i) The rate increase, year over  
15 year, for annual increases, including historic rate adjustments for at  
16 least the past three years; (ii) any percent increase to current rates  
17 attributed to mandated changes, not including changes due to  
18 demographics; (iii) the number of members impacted by the rate; (iv)  
19 the impact of benefit changes on the rate; (v) the products' filed  
20 health care trend; (vi) the projected medical loss ratio for the rating  
21 period; (vii) the top three drivers contributing to the change in  
22 premiums; and (viii) other information added to the summary form by  
23 rule that the commissioner, in consultation with carriers, finds  
24 reasonably necessary to help consumers understand the reasons for  
25 proposed and accepted rates. A carrier shall complete the disclosure  
26 summary form and submit it electronically to the commissioner along  
27 with each individual or small group health benefit plan rate filing;  
28 and

29 (c) Prepare a standardized rate summary form to explain his or her  
30 findings after the rate review process is completed. The  
31 commissioner's summary form must be included as part of the rate filing  
32 documentation available to the public electronically.

33 (6) The commissioner shall adopt rules to implement and administer  
34 this section. The rules must include, but are not limited to, a  
35 process for updating the summary form content in subsection (5)(b) of  
36 this section. In adopting rules under this section, the commissioner  
37 shall consult with carriers, as defined in RCW 48.43.005, and consumers  
38 in the development of the summary forms."

EFFECT: Protects the following information from public inspection: Numeric values of each rating factor used by a health carrier in its individual or small group health benefit plan rate filings.

Preserves the exceptions to public inspection allowed under current law (i.e., actuarial formulae, statistics, and assumptions associated with the rate filing) for new products that are distinct and unique from a carrier's currently or previously offered plans (this exception lasts for one year or the date of the next filing, whichever occurs first); a carrier must make a written request to the Insurance Commissioner, which must be approved in writing in order for this exception to apply.

Requires the Insurance Commissioner to make any publicly available information 10 days after the Insurance Commissioner determines that the filing is complete and accepts the filing through the electronic rate and form filing system.

Requires the Insurance Commissioner to develop a rate disclosure summary in language easily understood by the public that allows carriers to explain the relationship between premium and health care cost drivers. Requires the rate disclosure summary form to contain the following information: (1) Annual rate increases for the past three years, (2) rate increases attributed to mandated changes, (3) the number of members impacted by the rate, (4) the impact of benefit changes on the rate, (5) the filed health care trend, (6) the projected medical loss ratio for the rating period, (7) the top three drivers contributing to the change in premiums, and (8) other information added to the summary form by rule that the Insurance Commissioner, in consultation with the carriers, finds reasonably necessary to help consumers understand the reasons for proposed and accepted rates. Requires carriers to complete the rate disclosure summary form and submit it electronically along with each individual or small group health benefit plan rate filing.

Requires the Insurance Commissioner to prepare a standardized rate summary form to explain his or her findings after the rate review process is completed. Requires the Insurance Commissioners rate summary form to be included as part of the rate filing documentation available to the public electronically.

Requires the Insurance Commissioner to adopt rules, including a process for updating the rate disclosure summary forms. Requires the Insurance Commissioner to consult with carriers and consumers when developing summary forms.

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