

FINAL BILL REPORT

ESHB 1220

C 312 L 11
Synopsis as Enacted

Brief Description: Regulating insurance rates.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Rolfes, Cody, Appleton, Frockt, Hinkle, Liias, Fitzgibbon, Jinkins, Hunt, Van De Wege, Moeller and Kenney; by request of Insurance Commissioner).

House Committee on State Government & Tribal Affairs
House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background:

The Office of the Insurance Commissioner (OIC) has the authority to regulate health insurance companies in Washington. As part of this authority, the OIC has the authority to review insurance rates in both the individual and small group markets. Insurers are required to file their individual and group rates with the OIC. The OIC may disapprove the rates if they are unreasonable in relation to the benefits in the agreement. The OIC also reviews individual and small group market insurers for compliance with statutory requirements such as adjusted community rating and medical loss ratios (for purposes of determining remittances to the Washington State Health Insurance Pool).

An insurance filing is open to public inspection and copying except for actuarial formulae, statistics, and assumptions submitted in support of the filing.

Summary:

The entirety of a rate filing submitted by a health carrier in the individual or small group market on or after July 1, 2011, is available for public inspection, except for the numeric values of each small group rating factor used in the rate filing.

An exception to this general rule is created for new products. The actuarial formulae, statistics, and assumptions associated with an individual or small group market rate filing remain confidential for new products that are distinct and unique from a health carrier's currently or previously offered plans. A health carrier must make a written request to the Insurance Commissioner, which must be approved in writing in order for this exception to

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apply. This exception lasts for one year or until the date of the next filing, whichever occurs first.

Each health carrier in the individual or small group market must submit with its filings "Part I Rate Increase Summary" and "Part II Written Explanation of Rate Increase" as set forth by the United States Department of Health and Human Services. Additionally, the Insurance Commissioner must prepare a standardized rate summary form to explain his or her findings after the rate review process is completed. The Insurance Commissioner's rate summary form must be included as part of the rate filing documentation available to the public electronically.

The Insurance Commissioner must adopt rules necessary to implement these provisions, including a process for updating the rate disclosure summary forms. The Insurance Commissioner must consult with carriers and consumers when developing summary forms.

The Insurance Commissioner must make the rate filing and summary information available 10 days after the Insurance Commissioner determines that the filing is complete and accepts the filing through the electronic rate and form filing system.

Votes on Final Passage:

House	57	40	
Senate	48	1	(Senate amended)
House	95	1	(House concurred)

Effective: July 22, 2011