
Health Care & Wellness Committee

ESSB 5371

Brief Description: Addressing the needs for health insurance coverage for persons under age nineteen.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser and Conway).

Brief Summary of Engrossed Substitute Bill

- Requires health insurers to provide insurance coverage to persons under the age of 19 without pre-existing condition exclusions and without a health screening examination.
- Requires the Washington State Health Insurance Pool to offer health insurance to persons under the age of 19 who miss special enrollment periods and are ineligible for the federal high risk pool.

Hearing Date: 3/17/11

Staff: Jim Morishima (786-7191).

Background:

Coverage for Persons Under Age 19

For health insurance policies issued on or after September 23, 2010, the federal Patient Protection and Affordable Care Act prohibits health insurers from imposing pre-existing condition exclusions on persons under the age of 19. Federal rules implementing this requirement require health plans to provide coverage to any person under age 19 who applies (known as "guaranteed issue") and prohibit the use of health screening examinations.

In 2010 the Insurance Commissioner promulgated rules that provided for an open enrollment period during which health individual market insurers were required to provide insurance to persons under age 19 without completion of the Standard Health Questionnaire (a health

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screening examination used to determine eligibility for coverage on the individual market) or proof of insurability. The open enrollment period started November 1, 2010, and ended December 15, 2010.

The Insurance Commissioner's rules also required health insurers to offer a special open enrollment period for individuals who experienced a qualifying event; e.g., the loss of employer-sponsored insurance or the loss of Medicaid benefits. During the special enrollment period, health insurers must provide coverage to persons under age 19 without completion the Standard Health Questionnaire or proof of insurability. The special enrollment period lasts at least 31 days from the date of the qualifying event.

High Risk Pools

Before purchasing insurance on the individual market, state law requires residents to complete the Standard Health Questionnaire. Based on the results, an individual may be turned down for coverage. The Washington State Health Insurance Pool (WSHIP) provides health insurance to individuals who have been rejected from the individual market for medical reasons. A WSHIP insurance plan may impose a six month waiting period for preexisting conditions, but may not otherwise refuse to cover such conditions. Premiums for WSHIP plans must be between 110 percent and 150 percent of what the largest carriers charge for individual plans with similar benefits.

Under the PPACA, each state must establish a federally funded high risk pool or the federal government will do so on the state's behalf. Washington's federally funded high risk pool is known as the Pre-Existing Condition Insurance Pool (PECIP). To be eligible for the PECIP, which is separate from the WSHIP, a person must be a citizen of the United States (or a legal resident), be uninsured for at least six months, and have a pre-existing condition or have been denied coverage. The PECIP is funded solely by federal funds and premiums; no state funds are used.

Summary of Bill:

Coverage for Persons Under Age 19

A health carrier may not impose a pre-existing condition exclusion, waiting period, or any other limitation on benefits or enrollment due to a preexisting condition for persons under age 19 (this does not apply to plans that are "grandfathered" under the PPACA). The Insurance Commissioner must adopt rules establishing:

- open enrollment periods during which persons under age 19 may enroll in individual health plans without a health screening or proof of insurability; and
- special enrollment periods during which persons under age 19 may, after a qualifying event, enroll in individual health plans without a health screening or proof of insurability.

The Insurance Commissioner must monitor the sale of individual health benefit plans. If a carrier refuses to sell guaranteed issue policies to persons under age 19, the Insurance Commissioner may levy fines or suspend or revoke a certificate of authority.

High Risk Pools

Persons under age 19 are eligible for the WSHIP if he or she does not have access to individual plan open enrollment or special enrollment and is ineligible for the PECIP at the time of coverage. The WSHIP may not impose any pre-existing condition waiting periods for any person under age 19.

Appropriation: None.

Fiscal Note: Requested on March 11, 2011.

Effective Date: The bill contains an emergency clause and takes effect immediately.