

SENATE BILL REPORT

SB 5120

As of February 9, 2011

Title: An act relating to regulating insurance rates.

Brief Description: Regulating insurance rates.

Sponsors: Senators Keiser and Kline; by request of Insurance Commissioner.

Brief History:

Committee Activity: Health & Long-Term Care: 2/03/11, 2/07/11.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Mich'l Needham (786-7442)

Background: The Office of the Insurance Commissioner regulates health insurance carriers. Insurance carriers offering products for small groups and individuals must file their rate proposals for review. Once the rates are final, only a limited amount of information is public, including the actual rates charged, what the company requested and what was granted. The rest of the rate filing is not releasable to the public.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): The statutory language preventing the release of rate filing documentation is modified to exclude rate filings for health plans.

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: PRO: Currently we can't tell consumers why they are experiencing premium rate increases, we are prevented from releasing any documentation to explain the rate changes. Many people are very upset about the rate increases and they want to have the ability to verify the rate increases and what's driving them. Oregon

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currently provides access to the rate information and it provides a level of transparency for consumers that helps them see that medical costs are the driver of cost increases. Transparency is a crucial part of accountability to consumers.

OTHER: We support efforts to provide greater transparency. Health and Human Services will begin reviewing individual and small group plans with unreasonable rate increases, and we think the state approach should also be limited to individual and small group plans. Large employer groups negotiated rates should not be released. Some information must be deemed proprietary to protect competitive structures. The timing of the information release is a concern and we propose it be released after it is approved and we send notification to members of rate increases. We also suggest the rate filing could include an executive summary that is easier for consumers to read and understand. That could be the information made public rather than the detailed actuarial information. Our preference is to defer to the Affordable Care Act requirements and have a federal review of rates that are unreasonable which includes those that have an increase of over 10 percent.

Persons Testifying: PRO: Mike Kreidler, Insurance Commissioner; Steve Breaux, Washington Public Interest Research Group.

OTHER: Chris Bandoli, Regence Blue Shield; Len Sorrin, Premera Blue Cross; Amber Ulvenes, Group Health.