
Health Care & Wellness Committee

HB 1349

Brief Description: Addressing carrier surplus as an element of health benefit plan rate review.

Sponsors: Representatives Jenkins, Cody, Morrell, Fitzgibbon, Pollet, Van De Wege, Upthegrove, Appleton, Tharinger and Ormsby; by request of Insurance Commissioner.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires the Insurance Commissioner to review the surpluses of non-profit individual and small group market health insurers.

Hearing Date: 2/8/13

Staff: Jim Morishima (786-7191).

Background:

The Insurance Commissioner (Commissioner) has the authority to regulate health insurance companies in Washington. As part of this authority, the Commissioner 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 Commissioner. The Commissioner may disapprove the rates if they are unreasonable in relation to the benefits in the agreement. The Commissioner also reviews individual and small group market insurers for compliance with statutory requirements such as adjusted community rating and medical loss ratios.

Summary of Bill:

Beginning January 1, 2015, the Commissioner must review the surplus of a non-profit health carrier in the individual or small group market as an element in determining the reasonableness of the carrier's proposed rate. In reviewing the surplus, the Commissioner must consider the capital facility needs for carriers maintaining and operating hospitals and clinics.

Appropriation: None.

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.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.