

HOUSE BILL REPORT

HB 1441

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to long-term care insurance.

Brief Description: Addressing long-term care insurance.

Sponsors: Representatives Van De Wege, Morrell, Jinkins, Cody and Bergquist; by request of Insurance Commissioner.

Brief History:

Committee Activity:

Health Care & Wellness: 2/12/13, 2/15/13 [DP].

Brief Summary of Bill

- Reduces the amount of time in which long-term care denials must be made.
- Requires the Insurance Commissioner to adopt prompt payment requirements for long-term care insurance.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 15 members: Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Angel, Clibborn, Green, Harris, Manweller, Morrell, Riccelli, Ross, Short, Tharinger and Van De Wege.

Staff: Jim Morishima (786-7191).

Background:

Long-term care insurance is an insurance policy, contract, or rider that provides coverage for at least 12 consecutive months for the covered person. In 2008 Washington enacted long-term care legislation based on a model act developed by the National Association of Insurance Commissioners (NAIC). Under this legislation, all long-term care denials must be made within 60 days after receipt of a written request made by a policyholder, a certificate holder, or his or her representative.

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.

Recent revisions to the NAIC model act require prompt payment of "clean claims," which are defined as claims that have no defect or impropriety, including any lack of required substantiating documentation, such as satisfactory evidence of expenses incurred, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim. Under the NAIC model act, an insurer must pay a clean claim within 30 days.

Summary of Bill:

All long-term care denials must be made within 30 days after receipt of a written request made by a policyholder, a certificate holder, or his or her representative.

The Insurance Commissioner must adopt by rule prompt payment requirements for long-term care insurance. The rules must include a definition of "claim" and "clean claim." In adopting the rules, the Insurance Commissioner must consider the prompt payment requirements in long-term care insurance model acts developed by the NAIC.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Many complaints the Insurance Commissioner receives about long-term care insurance deal with delayed payments. People should not have to pursue a complaint with the Insurance Commissioner to get these claims paid; this is the last thing these people need. Usually, these complaints are easily resolved, but there are times when extra accountability for carriers is necessary. This bill is not a panacea; long-term care insurance is not available for everyone.

(Opposed) None.

Persons Testifying: Mary Childers, Office of the Insurance Commissioner; Lauri St. Ours, Washington Health Care Association; and Ingrid McDonald, AARP.

Persons Signed In To Testify But Not Testifying: None.