

SENATE BILL REPORT

HB 2061

As Reported by Senate Committee On:
Health Care, February 25, 2014

Title: An act relating to carriers operating outside of the exchange but only relating to requiring that carriers offering health benefit plans that meet the definition of bronze level in the individual or small group market must also offer silver and gold level plans as specified in section 1302 of P.L. 111-148 of 2010 and that nongrandfathered individual and small group health plans must conform with the actuarial value tiers specified in section 1302 of P.L. 111-148 of 2010

Brief Description: Clarifying the requirements for health plans offered outside of the exchange.

Sponsors: Representatives Harris, Cody and Hope.

Brief History: Passed House: 2/13/14, 94-4.

Committee Activity: Health Care: 2/25/14 [DP].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Pedersen, Ranking Member; Angel, Bailey, Cleveland, Keiser and Parlette.

Staff: Mich'l Needham (786-7442)

Background: The federal Affordable Care Act (ACA) specifies four categories of health plans to be offered in the individual and small group markets in the Health Benefit Exchange (Exchange) and outside the Exchange. The categories are based on the actuarial value of the plans, i.e., the percentage of the costs the plan is expected to pay:

- platinum: 90 percent of the actuarial value of the benefits under the plan;
- gold: 80 percent of the actuarial value of the benefits under the plan;
- silver: 70 percent of the actuarial value of the benefits under the plan; and
- bronze: 60 percent of the actuarial value of the benefits under the plan.

State legislation passed in 2012 established criteria for the Exchange and market rules for carrier offerings. For plan or policy years beginning January 1, 2014, a carrier must offer individual or small group health benefit plans at the silver and gold level in any market outside the Exchange in which it offers a bronze level plan. All health plans outside the

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Exchange, other than catastrophic plans, must conform to the platinum, gold, silver, and bronze-value tiers specified in the ACA.

Certain group health plans and individual health plans that were created before the ACA became effective are grandfathered and do not need to meet all the requirements of the ACA.

Summary of Bill: For plan or policy years beginning January 1, 2014, a carrier that offers a bronze-level health benefit plan in the individual market must also offer silver and gold-level plans in the individual market, and a carrier that offers a bronze-level health benefit plan in the small group market must also offer silver and gold-level plans in the small group market.

Only non-grandfathered individual and small group plans offered outside the Exchange, other than catastrophic plans, must conform to the platinum, gold, silver, and bronze-value tiers specified in the ACA.

Appropriation: None.

Fiscal Note: Not requested.

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: This is a technical fix to the law we passed in 2012. It is a correction to ensure the market rules with the metal tiers of coverage – gold, silver, and bronze – only apply to the individual and small group markets. They were never intended to apply to the large group market.

Persons Testifying: PRO: Representative Harris, prime sponsor; Sydney Zvara, Assn. of WA Healthcare Plans; Sheri Nelson, Assn. of WA Business; Tom Kwieciak, Building Industry Assn. of WA.