

# FINAL BILL REPORT

## SB 5931

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Synopsis as Enacted

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

**Sponsors:** Senators Hargrove, Becker and Keiser.

**Senate Committee on Health Care**  
**House Committee on Health Care & Wellness**

**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 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:** 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.

**Votes on Final Passage:**

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*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.*

Senate 46 3  
House 93 4

**Effective:** June 12, 2014.