Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Health Care & Wellness Committee

HB 1053

Brief Description: Concerning filing requirements for large group health benefit plans, stand-alone dental plans, and stand-alone vision plans.

Sponsors: Representatives Kirby and Schmick.

Brief Summary of Bill

- Requires all rates and forms of large group health benefit plans and all stand-alone dental and stand-alone vision plans to be filed with the Insurance Commissioner before the contract form is offered for sale to the public and before the rate schedule is used.

Hearing Date: 1/23/15

Staff: Jim Morishima (786-7191).

Background:

Contract Forms and Rate Schedules Submitted by Health Service Contractors and Health Maintenance Organizations.

A health service contractor or a health maintenance organization must file every contract form and rate schedule (and modifications thereof) with the Insurance Commissioner. The filing must be made before the contract form is offered for sale to the public or the rate schedule is used, unless the contract form is negotiated. Negotiated contract forms, and their applicable rate schedules, that are placed in effect at the time of negotiation or that have a retroactive effective date must be filed within 30 days of the earlier of: (a) the date contract negotiations are completed or (b) the date renewal premiums are implemented.

The Insurance Commissioner may disapprove a contract form for a variety of reasons, including:
- it contains inconsistent, ambiguous, or misleading content;
- if the carrier is soliciting purchase of the product through deceptive advertising;

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- it contains unreasonable restrictions on the treatment of patients; or
- the benefits are unreasonable in relation to the amount charged.

Contract Forms and Rate Schedules Submitted by Disability Insurers.

Contract forms and rate schedules filed by a disability insurer must be filed and approved by the Insurance Commissioner prior issuance, delivery, or use. The disability insurer must make the filing at least 30 days prior to the contracts issuance, delivery, or use. The filing is deemed approved after 30 days, unless the Insurance Commissioner affirmatively approves or disapproves the filing. The Insurance Commissioner may extend the 30-day approval period by 15 days.

The Insurance Commissioner may disapprove a contract form for a variety of reasons, including:
- it contains inconsistent, ambiguous, or misleading content;
- if the carrier is soliciting purchase of the product through deceptive advertising;
- it contains unreasonable restrictions on the treatment of patients; or
- the benefits are unreasonable in relation to the amount charged.

Summary of Bill:

For plans issued or renewed on or after January 1, 2016, all rates and forms of large group health benefit plans and all stand-alone dental and stand-alone vision plans offered by a health carrier or a limited service health service contractor (and modifications thereof) must be filed with the Insurance Commissioner before the contract form is offered for sale to the public and before the rate schedule is used. Negotiated contract forms, and their applicable rate schedules, that are placed in effect at the time of negotiation or that have a retroactive effective date must be filed within 30 days of the earlier of: (a) the date contract negotiations are completed or (b) the date renewal premiums are implemented.

The Insurance Commissioner may disapprove of a filing for the same reasons he or she may reject filings made by health service contractors, health maintenance organizations, and disability insurers.

The Insurance Commissioner must adopt rules to standardize the rate and form filing requirements. The rules may not impose additional requirements beyond those in place for health care service contractors and health maintenance organizations as of January 1, 2015.

Appropriation: None.

Fiscal Note: Not requested.

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