

HOUSE BILL REPORT

SSB 6536

As Reported by House Committee On: Health Care & Wellness

Title: An act relating to the filing and rating of group health benefit plans other than small group plans, all stand-alone dental plans, and stand-alone vision plans by disability insurers, health care service contractors, and health maintenance organizations.

Brief Description: Addressing the filing and rating of group health benefit plans other than small group plans, all stand-alone dental plans, and stand-alone vision plans by disability insurers, health care service contractors, and health maintenance organizations.

Sponsors: Senate Committee on Health Care (originally sponsored by Senator Becker).

Brief History:

Committee Activity:

Health Care & Wellness: 2/24/16, 2/26/16 [DP].

Brief Summary of Substitute Bill

- Requires the Insurance Commissioner to immediately commence rulemaking to standardize the rate and form filing, rating, loss ratio, and form content requirements for large group plans, stand-alone dental plans, and stand-alone vision plans.
- Prohibits the rules from imposing additional requirements than those in place for health care service contractors and health maintenance organizations.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 14 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

Staff: Jim Morishima (786-7191).

Background:

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.

For plans issued or renewed on or after January 1, 2016, all rates and forms of group plans other than small group plans (i.e., large group plans) and all stand-alone dental and stand-alone vision plans offered by a health carrier or a limited service health service contractor must be filed with the Insurance Commissioner (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 Commissioner must adopt rules to standardize the rate and form filing requirements. When adopting the rules, the Commissioner may use the already adopted standards in place for health care service contractors and health maintenance organizations.

Summary of Bill:

The Commissioner must immediately commence rulemaking to standardize the rate and form filing, rating, loss ratio, and form content requirements for large group plans, stand-alone dental plans, and stand-alone vision plans. The Commissioner must establish absolute uniformity under a single regulatory scheme by amending the adopted standards in place for health care service contractors and health maintenance organizations as of July 1, 2015. The rules and filing instructions may not impose additional requirements, including rate and form filing, content, actuarial justification, loss ratio, or claims experience pooling beyond those in place for health care service contractors and health maintenance organizations as of July 1, 2015, unless required by state or federal statute. The rulemaking must be completed within the funding authorized in the omnibus budget bill passed in 2015.

The requirements regarding negotiated contract forms apply to health benefit plans, stand-alone dental plans, and stand-alone vision plans.

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) This bill comes in the wake of similar legislation last year, the purpose of which was to standardize the structure for the Office of the Insurance Commissioner filings in the group market place. The way last year's bill was implemented left a number of inequities among carriers offering the same products in the same market. It is only fair that competitors in the same market space should have a level playing field.

(Opposed) None.

(Other) The remaining piece that needs to be made uniform involves rates. Actuarial process is the topic of this bill.

Persons Testifying: (In support) Sydney Smith Zvara, Association of Washington Health Plans; and Mel Sorenson, Cigna and America's Health Insurance Plans.

(Other) Lonnie Johns Brown, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: None.