

SENATE BILL REPORT

SB 5974

As Passed Senate, March 2, 2015

Title: An act relating to the insurance commissioner review of barriers to offering supplemental coverage options to disabled veterans and their dependents.

Brief Description: Requiring the insurance commissioner to review barriers to offering supplemental coverage options to disabled veterans and their dependents.

Sponsors: Senators Benton, Bailey, Hobbs, Chase, Cleveland, Angel, Hasegawa, Roach, Jayapal, Fraser, McCoy and Hewitt.

Brief History:

Committee Activity: Financial Institutions & Insurance: 2/19/15 [DP].

Health Care: 2/19/15 [w/oRec-FI].

Passed Senate: 3/02/15, 48-0.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators Benton, Chair; Angel, Vice Chair; Mullet, Ranking Minority Member; Darneille, Fain, Hobbs, Litzow and Pedersen.

Staff: Shani Bauer (786-7468)

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That it be referred without recommendation and be referred to Committee on Financial Institutions & Insurance.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Frockt, Ranking Minority Member; Angel, Bailey, Brown, Cleveland, Conway, Jayapal, Keiser, Parlette and Rivers.

Staff: Kathleen Buchli (786-7488)

Background: The federal Department of Veterans Affairs offers a health benefits program, the Civilian Health and Medical Program, commonly called CHAMPVA. The CHAMPVA shares the cost of certain health care services and supplies with eligible beneficiaries, with reimbursement for most medical expenses including inpatient, outpatient, mental health, prescription medication, skilled nursing care, and durable medical equipment.

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.

Eligible beneficiaries include the spouse or widow or widower and the children of a veteran who:

- is rated permanently and totally disabled due to a service-connected disability,
- was rated permanently and totally disabled due to a service-connected condition at the time of death,
- died of a service-connected disability, or
- died on active duty, and the dependents are not eligible for Department of Defense Tricare benefits.

Supplemental insurance policies are available to offset some or all out-of-pocket costs. The supplemental insurance policies are sold by private insurance carriers, and a variety of carriers offer policies across the country, but policies are not currently available in Washington State. Current insurance law does allow the supplemental policies.

Summary of Bill: The Office of the Insurance Commissioner must review current barriers to attracting supplemental plans into the state and report on steps the state and the Department of Veterans Affairs can take to promote access to the supplemental policies. The review of the barriers and recommendations must be submitted to the appropriate committees of the Legislature, the Governor, and the Department of Veterans Affairs by November 11, 2015.

Appropriation: None.

Fiscal Note: Requested on February 19, 2015.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Financial Institutions & Insurance): PRO: This addresses a situation very similar to Medicaid where the underlying coverage provides 80/20 coverage and then a person must obtain supplemental insurance. There are a lot of military bases and veterans in Washington, but for some reason, supplemental insurance is not available. Veterans who live in Vancouver end up lying about their address so that they can obtain insurance in Oregon. Washington is only one of nine states that do not have this sort of coverage available. This bill asks OIC to find out why insurance companies in the state do not provide supplemental insurance to veterans and their families.

Persons Testifying (Financial Institutions & Insurance): PRO: Senator Benton, prime sponsor.

Staff Summary of Public Testimony (Health Care): None.

Persons Testifying (Health Care): No one.