Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Health Care & Wellness Committee

HB 2502

Brief Description: Regulating explanation of benefits forms for stand-alone dental plans.

Sponsors: Representatives Caldier, Cody, Manweller, DeBolt, Jinkins and Muri.

Brief Summary of Bill

- Requires the Insurance Commissioner to set minimum standards for dental explanation of benefits forms.
- Prohibits dental-only plans from using explanation of benefits forms disapproved by the Insurance Commissioner.

Hearing Date: 1/17/18

Staff: Jim Morishima (786-7191).

Background:

An explanation of benefits (EOB) is a statement used by a health carrier to inform an enrollee of how the carrier reimbursed a provider for services rendered on the enrollee's behalf. An EOB may include information on the service provided, the amount charged by the provider, the amount reimbursed by the health plan, and the enrollee's responsibility.

Health carriers must submit their rates and forms to the Insurance Commissioner (Commissioner) for approval. The Commissioner may disapprove of an insurance contract if:

- it contains inconsistent, ambiguous, or misleading content;
- 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.

Health carriers do not submit EOBs to the Commissioner for approval.

Summary of Bill:

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.

Beginning July 1, 2018, a health carrier offering a dental-only plan must annually submit the EOB form the carrier plans to use for the upcoming plan year. The submission must include a list of standard definitions and terms the carriers will use and an example of a completed form.

No later than April 1, 2019, the Commissioner must utilize the EOB forms received in 2018 to adopt rules setting minimum standards for the format, terms, and definitions for EOB forms used by dental-only plans. The rules must include a model EOB form, model terms, and model definitions.

Beginning in plan year 2020, a health carrier offering a dental-only plan may not use an EOB form, or the standard definitions or terms used on the form, if the Commissioner has disapproved of the form, definitions, or terms. The Commissioner may disapprove of an EOB form, or the definitions or terms used on the form, if he or she finds the form, definitions, or terms are confusing, inconsistent, or misleading. The Commissioner may not disapprove a form, definitions, or terms that are substantially identical to the model form, definitions, and terms.

Appropriation: None.

Fiscal Note: Available.

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