

# SENATE BILL REPORT

## HB 2408

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As of February 15, 2018

**Title:** An act relating to preserving access to individual market health care coverage throughout Washington state.

**Brief Description:** Preserving access to individual market health care coverage throughout Washington state.

**Sponsors:** Representatives Cody, Jinkins, Goodman, Johnson, Slatter, Tharinger, Stanford, Macri, Ormsby, Doglio and Appleton.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 2/19/18.

**Brief Summary of Bill**

- Requires health carriers to offer qualified health plans in counties where it offers a health plan approved by the School Employees' Benefits Board (SEBB) or the Public Employees' Benefits Board (PEBB).
- Allows, until December 31, 2019, an individual to purchase a health plan in a county outside of the individual's county of residence, but within the same geographic rating area.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Evan Klein (786-7483)

**Background:** Individual Market Coverage. Individuals may purchase health insurance through the Washington Health Benefit Exchange (Exchange) or in the individual market outside of the Exchange. Most individual market plans are subject to a variety of federal and state requirements, including minimum actuarial values, rate review, and benefit mandates. Most individual plans must be offered in actuarial value tiers: Bronze—60 percent, Silver—70 percent, Gold—80 percent, and Platinum—90 percent.

Through the Exchange, individuals may compare and purchase individual coverage, access premium subsidies, and apply for Medicaid coverage. Premium subsidies are available to individuals between 100 percent and 400 percent of the federal poverty level. Cost sharing

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reductions are available to individuals between 100 percent and 250 percent of the federal poverty level. Carriers offering plans in the Exchange must offer at least one Silver and one Gold plan. Only health plans certified by the Exchange as qualified health plans (QHPs) may be sold on the Exchange.

The PEBB and SEBB. The PEBB is a nine-member board that approves contracts and benefits for public employees, including most state employees. The SEBB is a nine-member board that is part of the consolidated school district employees' health benefits purchasing program in the Health Care Authority (HCA). The SEBB's responsibilities include developing benefit plans for school employees and participating with the HCA in coordination with the PEBB in the selection of carriers to provide health and dental plans.

The Washington State Health Insurance Pool (WSHIP). The WSHIP is Washington's high risk pool. The WSHIP provides coverage for:

- individuals ineligible for Medicare who were enrolled in WSHIP plans prior to January 1, 2014;
- individuals ineligible for Medicare who live in a county where individual health coverage is unavailable; and
- individuals eligible for Medicare who do not have access to a reasonable choice of Medicare Advantage plans and provide evidence of rejection for medical reasons, restrictive riders, an uprated premium, preexisting condition limitations, or lack of access to a comprehensive Medicare supplemental plan.

Geographic Rating Area. The Affordable Care Act prohibits variation in rates for a given plan except based on four factors, including the geographic rating area. The Insurance Commissioner (Commissioner), using an analysis of various health status, claims, and utilization factors, sets the geographic rating areas no more frequently than every three years. There are five different rating areas in Washington State.

**Summary of Bill:** For plan years beginning January 1, 2020, a health carrier must offer at least one Silver and one Gold QHP on the Exchange in any county where the carrier offers a PEBB or SEBB-approved plan to school employees. The rates for PEBB or SEBB approved health plans may not include the administrative costs or actuarial risks associated with the QHP offered by the carrier. The HCA must perform an annual actuarial review to ensure compliance with this prohibition.

Until December 31, 2019, a health carrier and the Exchange must allow an individual to purchase an individual market health plan not sold in the individual's county of residence, if:

- there are no individual market health plans, other than catastrophic plans, offered in the individual's county of residence; and
- the individual's county of residence is within the same geographic rating area as the health plan the individual is purchasing.

When evaluating the network adequacy of a plan offered in a county where individuals from outside the county are purchasing coverage, the Commissioner must take into account the availability of telemedicine services and consider all reasonable requests to allow the health carrier to deliver services using all access points in neighboring counties, if the carrier did not participate in the individual market in 2018 in that county.

Until December 31, 2019, an individual is ineligible for WSHIP coverage if the individual is eligible to purchase coverage in another county.

**Appropriation:** None.

**Fiscal Note:** Requested on February 15, 2018.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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