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## Health Care & Wellness Committee

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### HB 1017

**Brief Description:** Concerning salaries of nonprofit health carriers.

**Sponsors:** Representatives Caldier, Cody, Jinkins, Macri, Kloba and Appleton.

#### Brief Summary of Bill

- Requires non-profit health carriers to convene an enrollee panel to set and approve salaries.
- Requires non-profit health carriers to disclose certain salaries in their annual reports.

**Hearing Date:** 1/22/19

**Staff:** Jim Morishima (786-7191).

#### Background:

Licensed health carriers can be either for-profit or non-profit corporations. The affairs of a non-profit corporation must be managed by a board of directors consisting of one or more individuals. The actual number of board members must be set in the articles of incorporation or bylaws. The names and addresses of the board members must be stated in the articles of incorporation. Non-profit corporations may pay compensation in a reasonable amount to its members, directors, or officers.

#### Summary of Bill:

Beginning January 1, 2020, a health carrier that is a non-profit organization with a paid board of directors, including carriers offering vision-only and dental-only plans, must convene a panel of enrollees. The panel must consist of at least 10 enrollees of health plans offered by the carrier who are chosen randomly and willing to serve one-year terms. No enrollee may serve more than one term and vacancies must be replaced with another randomly selected, willing enrollee. The carrier must provide its methodology for choosing enrollees to the Insurance Commissioner and must post the names and contact information of panel members on its web site.

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Beginning in calendar year 2020, the panel must, by majority vote, set the compensation and benefit levels of the carrier's board of directors. The panel must also approve the compensation and benefit levels of the carrier's employees with the top five highest levels of compensation and benefits.

Beginning January 1, 2020, a non-profit health carrier must prominently disclose in its annual report the salary and benefit levels of the carrier's employees with top five levels of compensation and benefits and how the employees' compensation and benefits differ from the previous year.

**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.