

SENATE BILL REPORT

SB 6400

As of February 3, 2020

Title: An act relating to mitigating inequity in the health insurance market caused by health plans that exclude certain mandated benefits.

Brief Description: Mitigating inequity in the health insurance market caused by health plans that exclude certain mandated benefits.

Sponsors: Senators Randall, Cleveland, Keiser, Kuderer, Wilson, C., Hunt, Van De Wege, Dhingra, Das, Lovelett, Nguyen, Conway and Saldaña.

Brief History:

Committee Activity: Health & Long Term Care: 2/03/20.

Brief Summary of Bill

- Requires health carriers and the Health Benefit Exchange to provide certain notices to consumers when mandatory benefits are excluded from health plans.
- Allows the insurance commissioner to assess a fee on a health carrier that excludes certain mandatory benefits.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Evan Klein (786-7483)

Background: Health carriers are required to offer health plans that include certain benefits mandated by state and federal law. The federal Patient Protection and Affordable Care Act (ACA) requires individual and small group market health plans to offer a package of benefits known as the essential health benefits. State law includes mandated health benefits not required under the ACA, including a requirement that health plans including maternity care coverage also provide abortion coverage.

Health carriers are permitted under state and federal law to exclude certain mandated benefits. For example, health carriers are allowed to offer dental-only or vision-only coverage. Also, a religiously sponsored health carrier is not required to participate in the

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provision of, or payment for, a specific service if it objects to doing so by reason of conscience or religion.

A health carrier not participating in the provision or payment of services on the basis of conscience or religion must:

- provide enrollees written notice of the services the carrier refuses to cover for reason of conscience or religion;
- provide written information describing how an enrollee may directly access services in an expeditious manner; and
- ensure that enrollees who are refused services have prompt access to information describing how they may directly access services in an expeditious manner.

The Office of the Insurance Commissioner (OIC) must establish a mechanism to recognize the right of conscience while ensuring enrollees timely access to services and to ensure prompt payment to providers. Under rules adopted by the OIC, all carriers are required to file a description of the process they will use to recognize an organization's or individual's exercise of conscience when purchasing coverage; the process may not affect a nonobjecting enrollee's access to coverage for those services. A religiously sponsored carrier that elects not to cover certain benefits because of religious beliefs must file a description of the process by which its enrollees will have timely access.

Summary of Bill: A health carrier that excludes, under state or federal law, any mandated health benefit from any health plan or student health plan must notify each enrollee of which benefits are excluded and alternate ways in which the enrollee may access excluded benefits in a timely manner. Enrollees must have prompt access to this information and the carrier must clearly and legibly include the information in all of its marketing materials for the plan. The information must also be listed in the benefit booklet and posted on the carrier's health plan or student health plan website.

Beginning July 1, 2021, the Health Benefit Exchange (Exchange) must provide individuals seeking to purchase coverage on its website with access to the information that carriers must provide when they exclude mandated benefits. The Exchange must provide this access directly on its website, through a link to an external site, or in any manner that allows consumers to easily access the information.

For the stated purpose of mitigating inequity in the health insurance market, the insurance commissioner may assess a fee on any health carrier offering a health plan or student health plan if the plans exclude, under state or federal law, any essential health benefit or benefit that is required under state law or rule. The fee must be the actuarial equivalent of costs attributed to the provision and administration of the excluded benefit. The fee must be deposited into the general fund.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony: PRO: Every Washingtonian should have access to the comprehensive health care that they deserve. This is building on work done last session to ensure individuals have access to reproductive services in Washington. There is not much time to ensure individuals have access to comprehensive reproductive health care with plan offerings planned for 2021 that do not include all health plan benefits. If there is a mechanism that would prevent carriers from passing along the costs of paying for these services to their enrollees, then there is a desire to work on additional language. The hope is to develop mechanisms to protect individuals and ensure that they are receiving information about what services are covered by a plan in as many ways as possible. This bill is critical for consumer protection and market fairness. Individuals are already required to pay for these services in their premiums, since they are state required services. It is not fair to permit these carriers to not pay for these services. It should be made crystal clear, up front, when an individual looks to purchase an insurance plan, what benefits the plan excludes. This bill would capture any state required service that a plan chooses not to cover. It is important to ensure enrollees have timely access to information. There is hope that the bill could also be expanded to require OIC or another state agency to make information available to enrollees on how to access services.

Persons Testifying: PRO: Senator Emily Randall, Prime Sponsor; Emily Murphy, NARAL Pro-Choice Washington.

Persons Signed In To Testify But Not Testifying: No one.