

HOUSE BILL REPORT

HB 2552

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to individual health coverage.

Brief Description: Concerning individual health coverage.

Sponsors: Representatives Cody, Kenney, Morrell and Moeller.

Brief History:

Committee Activity:

Health Care & Wellness: 1/15/10, 2/2/10 [DPS].

Brief Summary of Substitute Bill

- Requires carriers offering individual coverage to prorate deductibles to coincide with the date of the annual rate adjustment.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Cody, Chair; Driscoll, Vice Chair; Campbell, Clibborn, Green, Kelley, Moeller, Morrell and Pedersen.

Minority Report: Do not pass. Signed by 4 members: Representatives Ericksen, Ranking Minority Member; Bailey, Herrera and Hinkle.

Staff: Dave Knutson (786-7146).

Background:

Health carriers are allowed to adjust premium rates for individual policies annually, except for changes in family composition, changes in the health benefit plan requested by the individual, or changes in government requirements that affect the health benefit plan. The annual date to adjust premium rates is typically in June, July, or August. The individual's deductible typically begins in January and ends in December. If an individual chooses to change their coverage because of a large premium increase during the summer they would

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have to satisfy a new deductible for the remainder of the calendar year under a new individual policy.

Summary of Substitute Bill:

An intent section is provided to clarify how annual benefit and deductibles are addressed through individual health plans. Health carriers are required to provide written explanations of how annual benefits and deductibles are addressed in individual health benefit plans. The Insurance Commissioner is directed to adopt rules related to annual deductibles and benefits for individual health benefit plans.

Substitute Bill Compared to Original Bill:

The requirement that health carriers prorate deductibles to coincide with the date of the annual rate adjustment is deleted.

Appropriation: None.

Fiscal Note: Not requested on original bill. New fiscal note on the substitute bill requested on February 2, 2010.

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

Staff Summary of Public Testimony:

(In support) None.

(With concerns) This is a difficult issue to address at the same time health carriers are anticipating major changes in business practices because of federal health care reform. Many health carriers provide for a fourth quarter deductible carry over for people who purchase individual health benefit plans. Other health carriers allow a person who has met a deductible to apply that to the new deductible if the person changes individual health benefit plans. Implementing this bill, as written, would be administratively complex.

(Opposed) None.

Persons Testifying: Rick Henshaw and Rachel LaPrete, Group Health Cooperative; Carrie Tellefson, Regence Blue Shield; and Steve Gano, Premera Blue Cross.

Persons Signed In To Testify But Not Testifying: None.