
Health Care & Wellness Committee

ESB 6458

Brief Description: Addressing the office of the insurance commissioner and matters related to health care insurance.

Sponsors: Senators Becker, Angel, Dammeier, Brown, Tom, Schoesler, Bailey, Braun, Hill, Baumgartner, Litzow, Parlette and Honeyford.

Brief Summary of Engrossed Bill

- Requires the Insurance Commissioner to provide notice of proposed rulemaking on matters relating to health insurance to the health care committees of the Legislature, the Washington Health Benefit Exchange, the Health Care Authority, and the Governor.
- Allows the chairs of the health care committees of the Legislature to request review of the rules by the Joint Administrative Rules Review Committee.

Hearing Date: 2/24/14

Staff: Jim Morishima (786-7191).

Background:

The Insurance Commissioner.

The Insurance Commissioner (Commissioner) is a statewide elected official responsible for enforcing the state insurance code. The Commissioner has regulatory authority over many different lines of insurance, including motor vehicle insurance, life insurance, and health insurance. The Commissioner is empowered to make reasonable rules to effectuate any provision of the insurance code (other than provisions relating to his or her election, qualification, or compensation). These rules may not go into effect until they are filed for public inspection in the Commissioner's office. The rules must be adopted under the Administrative Procedures Act (APA).

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.

Notice Requirements Under the APA.

At least 20 days prior to the rule-making hearing, state agencies, including the Office of the Insurance Commissioner, must file a notice of proposed rulemaking in the State Register. The notice must contain the following information:

- a title, a description of the rule's purpose, and any other information that may be of assistance in identifying the rule or its purpose;
- the statutory authority for adopting the rule and the specific statute the rule is intended to implement;
- a short explanation of the rule, its purpose, and its anticipated effects;
- the agency personnel who are responsible for the drafting, implementation, and enforcement of the rule and their contact information;
- the name of the person or organization proposing the rule;
- agency comments or recommendations regarding statutory language, implementation, enforcement, and fiscal matters pertaining to the rule;
- whether the rule is necessary as a result of federal law or a judicial decision;
- when, where, and how persons may present their views on the proposed rule;
- the date on which the agency intends to adopt the rule;
- a copy of the small business economic impact statement or the school district fiscal impact statement, if any;
- a statement as to whether the rule is subject to the process for significant legislative rulemaking; and
- a preliminary cost-benefit analysis if the process for significant legislative rulemaking applies.

The agency must send copies of the notification of the proposed rulemaking (or a summary of the information in the notification of proposed rulemaking) to persons who have requested such notice. The agency must also send copies of the proposed rule to the Joint Administrative Rules Review Committee (JARRC).

The JARRC.

Created in 1981, the JARRC is a bi-partisan legislative committee consisting of four members from the House and four members of the Senate. The JARRC is authorized to selectively review any existing or proposed rule to verify whether the rule is within the intent of the Legislature as expressed by the statute the rule implements and whether the rule was adopted in accordance with all applicable provisions of law.

Any person may petition the JARRC to review a proposed or existing rule. Prior to petitioning the JARRC, the person must petition the agency that adopted the rule to amend or repeal the rule. The agency has 60 days to respond to such a request. If the agency declines to amend or appeal the rule, the person may then petition the JARRC, which must either reject the petition or make a final decision on the rule in question within 90 days.

The JARRC may also review any proposed or existing rule on its own initiative. To that end, the JARRC distributes copies of the notices of proposed rulemaking it receives to the relevant standing committees of the Legislature for review.

If the JARRC determines that a proposed or existing rule is beyond the intent of the Legislature or was not adopted in accordance with the law, it must notify the affected agency of its findings. The agency must then conduct a hearing on the JARRC's findings. Within seven days of the hearing, the agency must notify the JARRC of its intended actions. If the JARRC finds that the agency response does not address its concerns, it may take any of the following actions:

- The JARRC may file notice of its objections with the Code Reviser for publication in the State Register.
- The JARRC may recommend that the rule be suspended.
- The JARRC may recommend to the Legislature that the statute authorizing the rule be amended or repealed.

Summary of Bill:

The Commissioner must provide notice of proposed rulemaking on matters related to health care insurance to the health care committees of the Legislature, the Health Benefit Exchange, the Health Care Authority, and the Governor. If any of these entities or persons object to the proposed rulemaking, the chairs of the health care committees may notify the JARRC and request review of the rule in question.

Appropriation: None.

Fiscal Note: Requested on February 18, 2014.

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