

# HOUSE BILL REPORT

## HB 2330

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**As Reported By House Committee On:**  
Health Care

**Title:** An act relating to extending the benefit waiting period for preexisting conditions.

**Brief Description:** Extending the benefit waiting period for preexisting conditions.

**Sponsors:** Representatives Backlund, Hymes, Dyer, Goldsmith, Crouse, Thompson, Sherstad, D. Sommers, McMahan, D. Schmidt, L. Thomas, Hargrove and McMorris.

**Brief History:**

**Committee Activity:**

Health Care: 2/1/96 [DPS].

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Hymes, Vice Chairman; Campbell; Crouse; Sherstad and Skinner.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Conway and H. Sommers.

**Staff:** Bill Hagens (786-7131).

**Background:** Present law permits health carriers to impose a three-month waiting period for preexisting conditions for which medical advice or treatment was given within three months before the effective date of coverage. This provision is commonly known as the "3 and 3" requirement.

Currently, there is disruption in the individual insurance market. Individuals are finding it difficult to purchase adequate coverage at an affordable price, and carriers are cautious about continuing this type of insurance product. There are concerns that the "3 and 3" requirement may have resulted in individuals buying coverage to obtain specific health services instead of insurance protection, resulting in substantial increases in premium costs.

**Summary of Substitute Bill:** If funds are available to do so, the Washington Health Care Policy Board is required to study the requirements of guaranteed issue of coverage, as well as limitations on the use of preexisting condition exclusions. The board is to make appropriate recommendations to the Legislature by December 15, 1996, for needed changes to address insurance market problems, without significantly limiting consumer access to health plans. The sum of \$25,000 is appropriated from the Health Services Account for the study.

**Substitute Bill Compared to Original Bill:** The modification for preexisting condition exclusions to 12-month review and 12-month limitation is replaced with a study.

**Appropriation:** The sum of \$25,000 from the health services account to the Washington Health Care Policy Board.

**Fiscal Note:** Not requested.

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

**Testimony For:** A study is needed to decide what time periods are appropriate.

**Testimony Against:** A study is not needed because the existing time periods are appropriate. What is needed is not a study, but longer preexisting condition limitation periods.

**Testified:** (Original Bill) (Con) Robert Lynch, American Association of Retired Persons; David Allen, American Cancer Society; Bruce Reeves, Washington Senior Citizens Lobby; Rachael Myers, Washington Citizens Action, Mary Clogston, Office of the Insurance Commissioner; and Gail McGaffick, American Diabetes Association.