

SENATE BILL REPORT

HB 1851

As Reported By Senate Committee On:
Health & Long-Term Care, March 28, 2001

Title: An act relating to modifying the definition of small employers for insurance purposes.

Brief Description: Modifying the definition of small employer to include school districts.

Sponsors: By Representative McMorris.

Brief History:

Committee Activity: Health & Long-Term Care: 3/19/01, 3/28/01 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Thibaudeau, Chair; Franklin, Vice Chair; Costa, Fraser, Parlette and Winsley.

Staff: Jonathan Seib (786-7427)

Background: Current law imposes certain obligations on health carriers with regard to plans offered and sold to "small employers" or "small groups," which are generally defined to include entities with no more than 50 employees. This definition, however, explicitly excludes school districts. There is concern that this makes it more difficult for small school districts to purchase health insurance for their employees.

Summary of Bill: The explicit exclusion of school districts from the definition of "small employer" or "small group" for purposes of health insurance regulation is removed.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Current law discriminates against small school districts and has had a negative impact on their cost for health care, resulting in higher premiums for employee medical coverage. The bill would allow small school district employees to buy medical insurance at a lower cost, and give them more choices with regard to plan design.

Testimony Against: None.

Testified: Representative McMorris, prime sponsor (pro).