

SENATE BILL REPORT

HB 2317

As Reported By Senate Committee On:
Health & Long-Term Care, February 21, 2002

Title: An act relating to technical changes to Title 48 RCW.

Brief Description: Making technical changes to Title 48 RCW.

Sponsors: Representatives Cooper and Benson; by request of Insurance Commissioner.

Brief History:

Committee Activity: Health & Long-Term Care: 2/20/02, 2/21/02 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

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

Staff: Jonathan Seib (786-7427)

Background: The Insurance Commissioner regulates the business of insurance in Washington. The state's Insurance Code includes chapters governing midwifery services, Medicare supplemental health insurance, domestic stock insurers, and health carriers.

In 1993, the Legislature established the Joint Underwriting Association to provide malpractice insurance for certified nurse midwives and licensed midwives. The chapter governing the association defines "licensee" in accordance with a midwifery statute that was repealed by the Legislature in 1994.

Washington's Medicare Supplemental Health Insurance Act prohibits a Medicare supplement policy or certificate from excluding or limiting benefits for losses incurred more than three months from the effective date of the coverage because it involved a preexisting condition. In addition, the act mandates that insurers provide coverage for replacement policies and set rates on a community-rated basis. Federal law includes standards governing Medicare supplement eligibility and portability between plans.

Current law requires domestic insurers and holding companies to hold the annual meeting of its shareholders or members for the purposes of receiving reports and electing directors. The meeting must occur within the first four months of the year.

In 1995, the Legislature enacted the Insurance Reform Act to ensure citizens are fully informed about their health insurance coverage. The act provides a complaint process for both individuals and health care providers. A duplicate complaint process for individuals exists in the 2000 Patients' Bill of Rights.

Summary of Bill: All references to a repealed section of the code relating to midwives are eliminated and replaced with the nursing care statute.

No exclusion or limitation of preexisting conditions may be applied by an insurer to a Medicare supplement insurance policy or certificate if the replaced policy or certificate had been in effect for at least three months. The eligibility requirements for Medicare supplement insurance are defined and harmonized with federal law. Federal standards are also adopted to describe an eligible person's coverage under his or her Medicare supplement insurance policy.

Domestic insurers and holding companies may hold annual meetings of its shareholders or members at any time and place in accordance with its bylaws. The requirement that the annual meeting be held in the first four months of the year is eliminated.

The complaint process for individuals is eliminated. Complaints by individuals are resolved in accordance with the comprehensive grievance process that all health carriers must provide under the Patients' Bill of Rights. The grievance process for health care providers remains.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The bill makes purely technical changes such as correcting internal references. The changes regarding Medicare supplemental policies will harmonize state standards with federal standards, and are consistent with model language from the National Association of Insurance Commissioners. The change regarding annual meetings was put forth at the request of the insurance industry.

Testimony Against: None.

Testified: PRO: John Woodall, Jon Hedegard, Janice LaFlash, Office of the Insurance Commissioner.