

SENATE BILL REPORT

SB 6232

As Reported By Senate Committee On:
Health & Long-Term Care, January 18, 2006

Title: An act relating to health carrier information.

Brief Description: Requiring health carriers to report certain information.

Sponsors: Senators Keiser and Thibaudeau; by request of Insurance Commissioner.

Brief History:

Committee Activity: Health & Long-Term Care: 1/16/06, 1/18/06 [DPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6232 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Franklin, Kastama, Kline and Poulsen.

Staff: Jonathan Seib (786-7427)

Background: All health carriers must file with the Insurance Commissioner an annual financial statement. There is concern that the information required in the financial statement is incomplete and not presented in a format easily understood by the public, making it difficult for consumers to understand how their premium dollars are spent and to compare the administrative efficiency of various carriers.

Summary of Substitute Bill: Each carrier offering a health benefit plan must annually submit to the Insurance Commissioner a report containing certain enumerated financial and enrollment information derived from the carrier's annual statement. The information, to be submitted electronically, must be presented in five categories: total, individual contracts, small group contracts, large group contracts, and government contracts. The commissioner will make the information available to the public in a format that allows comparisons among carriers through a searchable public web site.

Substitute Bill Compared to Original Bill: The substitute bill changes the date by which carriers must submit the report each year from March 1st to April 1st, and adds language that requires the information made available to the public by the Insurance Commissioner be in a format that allows comparisons among carriers.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: Currently, there is not a lot of information available to consumers when they make some of the more important purchasing decisions they have to make regarding their health insurance. The information that is available is not in a user-friendly format that allows consumers to easily compare various health insurance companies on factors such as administrative costs. This bill will promote greater transparency regarding health carriers. It is modeled after a law currently in place in Oregon that works well there.

Testimony Against: None.

Testimony Other: This is the age of transparency. If this is the information that the Commissioner would like to see in a form that is helpful to consumers, we're all for it. The wording of the bill needs to work for both health care service contractors and HMOs. Also, moving the reporting date back a month would make for more efficient reporting.

Who Testified: PRO: Mike Kreidler, Insurance Commissioner; Bill Daley, Citizen Action.

OTHER: Nancee Wildermuth, Regence Blue Shield, PacifiCare, Aetna.