

FINAL BILL REPORT

SB 5216

C 8 L 13
Synopsis as Enacted

Brief Description: Addressing long-term care insurance.

Sponsors: Senators Rolfes, Bailey, Mullet, Parlette, Keiser, Shin and Conway; by request of Insurance Commissioner.

Senate Committee on Health Care
House Committee on Health Care & Wellness

Background: Washington State first passed the Long-Term Care Insurance Act in 1986. In 2008, the Legislature created new Long-Term Care Insurance Standards based on model language developed by the National Association of Insurance Commissioners (NAIC). The new long-term care insurance statute provided enhanced consumer protections for policies sold after January 2009, allowed policies to meet Internal Revenue Code requirements for tax qualified plans, and allowed life insurance contracts with long-term care insurance riders and long-term care partnership policies. Adoption of NAIC model language facilitates interstate cooperation and commercial transactions that cross state boundaries and allows certain products to be filed through an interstate compact.

The NAIC has recently revised their long term care insurance model regulations, and they have included standards for prompt payment of clean claims. Insurers must pay claims within 30 business days of receipt if the claim is a clean claim, or send written notice acknowledging the date of receipt of the claim with additional required information. The model regulation defines a clean claim as a claim that has: no defect or impropriety, including any lack of required substantiating documentation, such as satisfactory evidence of expenses incurred; nor particular circumstances requiring special treatment that prevent timely payment from being made on the claim.

Summary: All long-term care insurance policies sold after January 2009 must make claim denials within 30 days of receipt of the written request, instead of 60 days. The Insurance Commissioner must adopt rules with prompt payment requirements for long-term care insurance. The rules must include a definition of a claim and a clean claim. In developing the rules, the Commissioner must consider the prompt payment requirements developed by the NAIC.

Votes on Final Passage:

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.

Senate 49 0
House 97 0

Effective: July 28, 2013.