

# HOUSE BILL REPORT

## HB 1042

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### As Reported by House Committee On: Appropriations

**Title:** An act relating to eliminating the office of the insurance commissioner's school district or educational service district annual report.

**Brief Description:** Eliminating the office of the insurance commissioner's school district or educational service district annual report.

**Sponsors:** Representatives Springer, Harris, Jinkins, Fitzgibbon, Tharinger and Sawyer; by request of Insurance Commissioner.

#### **Brief History:**

##### **Committee Activity:**

Appropriations: 1/23/17, 2/15/17 [DP].

#### **Brief Summary of Bill**

- Removes the requirement that the Office of the Insurance Commissioner (Commissioner) annually report to the Governor, the Health Care Authority, and the Legislature regarding school district health insurance benefits.
- Removes the requirement that school districts and their benefit providers annually submit data and reports to the Commissioner regarding their health insurance benefits.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 18 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Stanford, Sullivan and Tharinger.

**Minority Report:** Do not pass. Signed by 13 members: Representatives Stokesbary, Assistant Ranking Minority Member; Buys, Caldier, Condotta, Haler, Harris, Manweller, Nealey, Schmick, Taylor, Vick, Volz and Wilcox.

**Minority Report:** Without recommendation. Signed by 1 member: Representative MacEwen, Assistant Ranking Minority Member.

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*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.*

**Staff:** Linda Merelle (786-7092).

**Background:**

In 2012 the Legislature required school districts and their health insurance benefit providers to annually submit data to the Office of the Insurance Commissioner (Commissioner) regarding progress toward greater affordability for full family coverage, health care cost savings, reduced administrative costs, and compliance with the requirement to provide a high-deductible health plan option with a health savings account. The school districts and their providers must also submit an overall plan summary.

In addition, the school districts and their providers must jointly report to the Commissioner on their health insurance-related efforts and achievements to significantly reduce administrative costs for the districts, improve customer service, and protect access to coverage for part-time K-12 employees, among other things. The information provided by the school districts and the benefit providers is exempt from public inspection and copying.

The Commissioner must submit an annual report to the Governor, the Health Care Authority, and the Legislature regarding school district health insurance benefits, based upon the data and reports received from the districts and their benefit providers. From 2013 through 2016, the Commissioner has completed and submitted the required reports. The most recent report was submitted in November 2016, and according to the Commissioner, 100 percent of the districts and their benefit providers had submitted the required information.

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**Summary of Bill:**

The requirement that the Commissioner provide an annual report regarding school district health insurance benefits is removed. The statutory provisions under which the school districts and the benefit providers must submit data regarding health care benefits and reports to the Commissioner are repealed.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) If there is an opportunity to save money on a function that is no longer needed, the Legislature should jump at it. The reports are very detailed and time consuming. In reviewing the four years of the reports, there is not a lot of movement in that information. There are underlying questions and issues that could be addressed, but there does not appear

to be a need for further reporting. The Legislature has the necessary information to make any policy changes.

(Opposed) None.

(Other) Legislators kept hearing that families were paying a lot and singles were paying nothing for health insurance. In 2012 the Legislature passed a bill that required data, and it was able to see what was happening in K-12. The data showed that school districts were not doing much to support families. Without data, the Legislature only has anecdotes. The system is amazingly broken. The Legislature needs data to fix the problem and should continue to collect it.

**Persons Testifying:** (In support) Representative Springer, prime sponsor; and Lonnie Johns-Brown, Office of the Insurance Commissioner.

(Other) Doug Nelson, Public School Employees Service Employees International Union 1948.

**Persons Signed In To Testify But Not Testifying:** None.