

SENATE BILL REPORT

SHB 2772

**AS REPORTED BY COMMITTEE ON HEALTH & LONG-TERM CARE,
FEBRUARY 27, 1992**

Brief Description: Prohibiting individual exclusions from health coverage based solely on medical condition or health status.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Zellinsky, Dellwo, Haugen, Broback, R. Johnson, Anderson, Paris, Dorn, Winsley, Schmidt, R. Meyers, Brough, Wood, Ludwig, Hochstatter, Mitchell, J. Kohl and Nelson)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators West, Chairman; L. Smith, Vice Chairman; M. Kreidler, Niemi, and Wojahn.

Staff: Scott Plack (786-7409)

Hearing Dates: February 26, 1992; February 27, 1992

BACKGROUND:

Medical underwriting is the insurance practice of determining the insurability of individuals and can be used to determine the premium rate paid for insurance benefit plans. Currently, employer sponsored group health care benefit plans do not require medical underwriting. Employees are covered without proof of good health. However, no provision of the insurance code prohibits a group insurance plan from requiring such proof of insurability.

SUMMARY:

Group disability insurers, health care service contractors, and health maintenance organizations (HMO) may not exclude individuals from coverage under an employer sponsored group plan because of the medical condition or health status of the individuals. Employer sponsored groups include businesses and associations with three to fifty unrelated persons. When determining whether to issue coverage to a group, insurers, contractors, and HMOs must base the decision on the risk factors of the group as a whole and may not exclude individuals based solely on the individual's health status.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The legislation will make health insurance more available by prohibiting medical underwriting.

TESTIMONY AGAINST: None

TESTIFIED: Mel Sorensen, Washington Physicians Service/Blue Cross
(pro)