

SENATE BILL REPORT

HB 2782

AS REPORTED BY COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE,
FEBRUARY 28, 1992

Brief Description: Including coinsurance in health maintenance organizations provisions.

SPONSORS: Representatives Zellinsky, R. Johnson, Mielke, Winsley, Anderson, Paris, Wineberry, D. Sommers and Wood

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators von Reichbauer, Chairman; Erwin, Vice Chairman; Matson, Moore, Pelz, Rasmussen, Sellar, and Vognild.

Staff: Tom Fender (786-7414)

Hearing Dates: February 27, 1992; February 28, 1992

BACKGROUND:

In 1990, the Legislature substantially amended the Health Maintenance Organization (HMO) Act. The changes were primarily designed to improve regulation of the solvency of HMOs and to provide a mechanism for addressing the claims and needs of subscribers holding agreements with a defunct HMO.

No definition of coinsurance was included in the legislation. A coinsurance provision requires a subscriber to share a percentage portion of the cost of a particular health care service as distinguished from a deductible or copayment provision which requires the subscriber's payment of a specific dollar amount of the cost of a health care service. Without a definition of coinsurance, HMO agreements cannot contain coinsurance provisions as most agreements now provide.

SUMMARY:

HMO agreements may contain coinsurance provisions requiring subscribers to share a percentage portion of the costs of a specific health care service.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This technical correction will restore inadvertently repealed 1990 language thus bringing existing agreements into compliance.

TESTIMONY AGAINST: None

TESTIFIED: Ken Bertrand, Group Health (pro); Bruce Bishop, Kaiser Permanente (pro); Walt Corneille, Aetna Health Plans (pro)