

VETO MESSAGE ON HB 1387-S

May 19, 1997

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House Bill No. 1387 entitled:

"AN ACT Relating to mandatory offering of basic health plan benefits;"

This proposal would allow health insurers, health care service contractors and health maintenance organizations to file for rate increases every six months rather than annually. It would decrease consumer certainty regarding insurance rates and increase administrative costs of individual and small employer health benefit plans. In addition, community rates are currently estimated and adjusted by the Office of Insurance Commissioner on an annual basis; more frequent filings would be at odds with those calculations. This legislation does not solve a compelling problem and it negatively impacts consumers.

For these reasons, I have vetoed Substitute House Bill No. 1387 in its entirety.

Respectfully submitted,
Gary Locke
Governor