

SSB 5261 - S AMD 16

By Senator Parlette

ADOPTED 1/25/2008

1 On page 5, beginning on line 29, after "(c)" strike everything down
2 through and including line 2 on page 6, and insert the following:

3 "Declination rate" for an insurer means the percentage of the
4 total number of applicants for individual health benefit plans received
5 by that insurer in the aggregate in the applicable year which are not
6 accepted for enrollment by that insurer based on the results of the
7 standard health questionnaire administered pursuant to RCW
8 48.43.018(2)(a).

9 ~~((c))~~(d)"Earned premiums" means premiums, as defined in RCW
10 48.43.005, plus any rate credits or recoupments less any refunds, for
11 the applicable period, whether received before, during, or after the
12 applicable period.

13 ~~(e)~~~~((d))~~"Incurred claims expense" means claims paid during the
14 applicable period plus any increase, or less any decrease, in the
15 claims reserves.

16 ~~(f)~~~~((e))~~"Loss ratio" means incurred claims expense as a
17 percentage of earned premiums.

18 ~~(g)~~~~((f))~~"Reserves" means: (i) Active life reserves; and (ii)
19 additional reserves whether for a specific liability purpose or not."
20

21 On page 6, line 21, after "standard" strike everything through
22 "section." on line 22 and insert, "~~((established in subsection (7) of~~
23 ~~this section.))~~ of seventy four percent, minus the premium tax rate
24 applicable to the insurer's individual health benefit plans under RCW
25 48.14.020."

26 On page 6, line 28, after "loss ratio" insert "and its actual
27 declination rate"

28 On page 7, line 29, after "~~((seventy-four))~~" strike "seventy-seven
29 percent" and insert "((percent)) the percentage set forth in the
30 following schedule that correlates to the health care service
31 contractor's actual declination rate in the preceding year,"

1 On page 7, line 31, after "48.14.020." insert the following:

<u>Actual Declination Rate</u>	<u>Loss Ratio</u>
<u>Under Six Percent (6%)</u>	<u>Seventy Four Percent (74%)</u>
<u>Six Percent (6%) or more (but less than Seven Percent)</u>	<u>Seventy Five Percent (75%)</u>
<u>Seven Percent (7%) or more (but less than Eight Percent)</u>	<u>Seventy Six Percent (76%)</u>
<u>Eight Percent (8%) or more</u>	<u>Seventy Seven Percent (77%)</u>

10 On page 8, line 11 after "(c)" insert the following:

11 "Declination rate" for an insurer means the percentage of the
12 total number of applicants for individual health benefit plans received
13 by that insurer in the aggregate in the applicable year which are not
14 accepted for enrollment by that insurer based on the results of the
15 standard health questionnaire administered pursuant to RCW
16 48.43.018(2)(a).

17 (d)((~~e~~))"

18 On page 8, line 15, strike "(d)" and insert "((~~d~~))(e)"

19 On page 8, line 18, strike "(e)" and insert "((~~e~~))(f)"

20 On page 8, line 20 strike "(f)" and insert "((~~f~~))(g)"

21
22 On page 9, on line 4, strike everything through "section." on line
23 5 and insert "((~~established in subsection (7) of this section.~~)) of
24 seventy four percent, minus the premium tax rate applicable to the
25 insurer's individual health benefit plans under RCW 48.14.020."

26 On page 9, line 11, after "loss ratio" insert "and its actual
27 declination rate"

28 On page 10, line 14, after "((~~seventy-four~~))" strike "seventy-seven
29 percent" and insert, "((~~percent~~)) the percentage set forth in the

1 following schedule that correlates to the health care service
2 contractor's actual declination rate in the preceding year,"

3 On page 10, line 16, after "RCW 48.14.0201." insert the following:

<u>Actual Declination Rate</u>	<u>Loss Ratio</u>
<u>Under Six Percent (6%)</u>	<u>Seventy Four Percent (74%)</u>
<u>Six Percent (6%) or more (but less than Seven Percent)</u>	<u>Seventy Five Percent (75%)</u>
<u>Seven Percent (7%) or more (but less than Eight Percent)</u>	<u>Seventy Six Percent (76%)</u>
<u>Eight Percent (8%) or more</u>	<u>Seventy Seven Percent (77%)</u>

11 On page 10, line 33, after "(c)" insert the following:

12 "Declination rate" for an insurer means the percentage of the
13 total number of applicants for individual health benefit plans received
14 by that insurer in the aggregate in the applicable year which are not
15 accepted for enrollment by that insurer based on the results of the
16 standard health questionnaire administered pursuant to RCW
17 48.43.018(2)(a).

18 (d)"

19 On page 11, line 1, strike "(d)" and insert "~~((d))~~(e)"

20 On page 11, line 4, strike "(e)" and insert "~~((e-))~~(f)"

21 On page 11, line 6, strike "(f)" and insert ~~((f))~~(g)"

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23 On page 11, line 28 after "standard" strike everything through
24 "section." on line 29 and insert "~~((established in subsection (7) of~~
25 ~~this section.))~~of seventy four percent, minus the premium tax rate
26 applicable to the insurer's individual health benefit plans under RCW
27 48.14.020."

28 On page 11, line 35 after "loss ratio" insert "and its actual
29 declination rate"

1 On page 13, line 2 after "~~((seventy-four))~~" strike "seventy-seven"
2 and insert "~~((percent))~~the percentage set forth in the following
3 schedule that correlates to the health maintenance organization's
4 actual declination rate in the preceding year,"

5 On page 13, line 4 after "RCW 48.14.0201." insert the following:

<u>Actual Declination Rate</u>	<u>Loss Ratio</u>
<u>Under Six Percent (6%)</u>	<u>Seventy Four Percent (74%)</u>
<u>Six Percent (6%) or more (but less than Seven Percent)</u>	<u>Seventy Five Percent (75%)</u>
<u>Seven Percent (7%) or more (but less than Eight Percent)</u>	<u>Seventy Six Percent (76%)</u>
<u>Eight Percent (8%) or more</u>	<u>Seventy Seven Percent (77%)</u>

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EFFECT: Retains the commissioner's authority established in the substitute bill, inserts a sliding-scale loss-ratio requirement that is tied to the declination rate (or rate of people each plan denies coverage for).