

FINAL BILL REPORT

SHB 1233

C 296 L 07

Synopsis as Enacted

Brief Description: Addressing specified disease, hospital confinement, or other fixed payment insurance.

Sponsors: By House Committee on Health Care & Wellness (originally sponsored by Representatives Ericks, Kirby, Roach, Williams, Jarrett and Simpson).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background:

Some insurance companies offer a limited benefit medical policy that allows employers to offer routine health and life insurance to their employees. Such a policy allows an employer to purchase coverage for employees that provides a calendar year maximum amount that will be covered for doctor's office visits, preventive care, prescription drug coverage, emergency room visits, surgery, and other procedures. A question has been raised whether such a policy is included in the statutory definition of "Health Plan" in the laws governing insurance.

Summary:

The definition of "Health Plan" is modified to exclude illness-triggered fixed payment insurance, fixed payment insurance, or other fixed payment insurance offered as an independent, noncoordinated benefit. The Insurance Commissioner (Commissioner) will adopt rules specifying a standard disclosure for fixed payment insurance designed to enhance consumer understanding. The disclosure must state that the coverage will not cover the cost of most hospital and other medical services. The disclosure form will be filed for approval with the Commissioner prior to use. These fixed payment policies must be offered as an independent and noncoordinated benefit from any other health plan. The Commissioner will provide an annual report to the Legislature on the experience with fixed payment insurance products.

Votes on Final Passage:

House	94	2	
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 22, 2007