
SENATE BILL 6365

State of Washington 60th Legislature 2008 Regular Session

By Senators Marr, Keiser, Weinstein, Kauffman, Pridemore, Kohl-
Welles, Rasmussen, and Rockefeller

Read first time 01/16/08. Referred to Committee on Health & Long-
Term Care.

1 AN ACT Relating to the collection and analysis of data concerning
2 association health plans; adding a new section to chapter 48.43 RCW;
3 and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43 RCW
6 to read as follows:

7 (1) The commissioner shall require carriers to report such data as
8 the commissioner may determine are necessary for the evaluation of:

9 (a) The impact of the sale of association health plans on the
10 overall health care marketplace of this state; and

11 (b) The impact of association health plans that use claims data or
12 health factors in setting rates for small groups that are included in
13 an association health plan.

14 (2) The data may include, but need not be limited to, the
15 following:

16 (a) The number of persons residing in Washington who receive health
17 benefit coverage through each association health plan underwritten or
18 administered by the carrier, and whether the association health plan

1 uses claims data or health factors in setting rates for small groups
2 included in the plan;

3 (b) Demographic information regarding the persons covered in
4 association health plans and in small group plans;

5 (c) The average claims experience of persons covered by the
6 carrier's association health plans and by its small group plans;

7 (d) Eligibility requirements, underwriting criteria, and coverage
8 standards, including but not limited to association membership
9 requirements, health questions, if any, asked or used for the purpose
10 of considering eligibility or cost of coverage, and a description of
11 any other standard for eligibility or qualification for enrollment or
12 coverage;

13 (e) The methodology used by the carrier to determine the cost of
14 coverage for each association health plan; and

15 (f) Such other data as the commissioner may reasonably require.

16 (3) The carriers shall electronically submit the information
17 described in subsections (1) and (2) of this section in a format and
18 according to instructions prescribed by the commissioner.

19 (4)(a) Data, information, and documents provided by the carrier
20 pursuant to this section are exempt from public inspection and copying
21 under chapters 42.17 and 42.56 RCW, to the extent that they contain
22 actuarial formula, statistics, and assumptions submitted in support of
23 setting rates for the association health plans. The data, information,
24 and documents may be provided in their entirety for analysis as
25 required in section 2 of this act.

26 (b) The commissioner is authorized to use documents, materials, or
27 other information obtained pursuant to this section in the furtherance
28 of any regulatory activities, reports to the legislature, or legal
29 actions brought as a part of the commissioner's official duties.

30 (5) For purposes of this section, "association health plan" means
31 a health plan purchased through an association or through a member-
32 governed group formed specifically for the purpose of purchasing health
33 care.

34 NEW SECTION. **Sec. 2.** By December 15, 2008, and one year
35 thereafter, the joint legislative audit and review committee shall
36 obtain data as described in section 1 of this act, from the office of

1 the insurance commissioner, and report to the legislature on
2 association health plans and any impact they may have on the small
3 group insurance market in Washington state, including:

4 (1) Enrollment, affordability, premiums charged, and selection
5 trends in the association plans market;

6 (2) Changes in enrollment, affordability, premiums charged, and
7 financial viability of small group plans;

8 (3) Any shifts of covered populations between small group and
9 association plans;

10 (4) Any adverse selection into either small group or association
11 plans; and

12 (5) Other measures of emerging trends in the small group and
13 association plan health insurance markets.

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