HOUSE BILL REPORT
HB 2408

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to mitigating barriers to patient access to care resulting from health insurance contracting practices.

Brief Description: Mitigating barriers to patient access to care resulting from health insurance contracting practices.

Sponsors: Representatives Jinkins, Clibborn, Caldier, Rodne, Robinson, Short, Johnson, Fitzgibbon, Kagi, Tarleton and Riccelli.

Brief History:
Committee Activity:
Health Care & Wellness: 1/19/16, 1/29/16 [DPS].

Brief Summary of Substitute Bill

- Prohibits a health plan offered to public employees from imposing cost sharing for chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies that exceeds the amount the plan requires for professional services.
- Prohibits a private health plan from imposing cost sharing for chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies that exceeds the amount the plan requires for primary care.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Cody, Chair; Schmick, Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

Staff: Jim Morishima (786-7191).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Cost sharing is the amount enrollees pay out-of-pocket for covered services and includes copayments, coinsurance, and deductibles. The federal Patient Protection and Affordable Care Act (PPACA) imposes minimum actuarial values on all non-grandfathered individual and small group market plans. The PPACA also places an annual out-of-pocket maximum for these plans and prohibits cost-sharing for preventive services.

A health carrier may establish cost-sharing levels, structures, or tiers for different categories of services. This type of cost sharing, however, may not be discriminatory. For example, a carrier may not impose different cost-sharing on enrollees with chronic diseases or complex medical conditions, unless the difference provides the enrollee with access to care and treatment commensurate with the enrollees specific medical needs. A carrier may not establish a different cost-sharing structure or tier if the sole type of enrollee who would access the benefit or tier is one with a chronic illness or medical condition.

Summary of Substitute Bill:

A health plan offered to public employees may not impose cost sharing for chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies that exceeds the amount the plan requires for professional services as defined by the plan.

A private health plan may not impose cost sharing for chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies that exceeds the amount the plan requires for primary care.

Substitute Bill Compared to Original Bill:

The substitute bill:

- changes the services to which the bill applies to include chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies (instead of habilitative, rehabilitative, East Asian medicine, or chiropractic care); and
- prohibits a health plan offered to public employees from imposing cost sharing for chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies that exceeds the amount the plan requires for professional services (instead of primary care).

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on January 1, 2017.

Staff Summary of Public Testimony:

(In support) Excessive copayments are pushing patients away from evidence-based care. In some cases, the copayment exceeds the allowable amount, which means the patient basically pays all of the costs. The net effect of this is no benefit to the enrollee, even though premium is paid on the benefit. Optimal care is compromised—patients are not receiving necessary care because they are unable to afford treatment. This slows patient recovery and results in unnecessary treatments in the long run. Families are having to choose which child will receive necessary treatments. Excessive copayments break down the trust between the provider and the patient. The provisions in this bill passed the House of Representatives with a supermajority vote last year.

(Opposed) Issuers are allowed to set different levels of cost-sharing for different types of care. There is a crisis in primary care in this country and issuers should allocate as much of the premium dollar to primary care as possible. The services covered by this bill are valuable, but are not primary care. Jiggering with cost-sharing levels runs the risk of decreasing resources for primary care. There is a direct relationship between out-of-pocket expenses and premium. The reasons for the metal levels in the PPACA is to limit premium costs to make insurance products more affordable. Limiting out-of-pocket expenses could result in higher premiums, which could make insurance unaffordable.

Persons Testifying: (In support) Representative Jinkins, prime sponsor; David Butters, Washington State Chiropractic Association; Erik Moen, Physical Therapists of Washington; and Robin Huesca.

(Opposed) Sydney Smith Zvara, Association of Washington Health Plans; Len Sorrin, Premera; and Mel Sorenson, Association of Health Insurance Plans.

Persons Signed In To Testify But Not Testifying: None.