

# SENATE BILL REPORT

## HB 2677

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As of February 24, 2020

**Title:** An act relating to sharing health insurance information to improve the coordination of benefits between health insurers and the health care authority.

**Brief Description:** Sharing health insurance information to improve the coordination of benefits between health insurers and the health care authority.

**Sponsors:** Representatives Chopp, Cody, Tharinger, Leavitt and Davis; by request of Health Care Authority.

**Brief History:** Passed House: 2/16/20, 96-0.

**Committee Activity:** Health & Long Term Care: 2/24/20.

### Brief Summary of Bill

- Changes the primary responsibility for sharing information on joint beneficiaries from the Health Care Authority to health insurers.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Evan Klein (786-7483)

**Background:** Federal law requires a state administering a Medicaid program to take reasonable efforts to ascertain the legal liability of third parties, including health insurers, that are legally responsible to pay for care and services available under the Medicaid program. The state must submit a plan to the federal government for pursuing claims for reimbursement against such third parties.

Under state law, the Health Care Authority (HCA) must provide routine, periodic information to health insurers to identify joint beneficiaries. The data must be provided at least semiannually. If an insurer identifies any joint beneficiaries, it must send the information to the HCA. The stated purpose of this information exchange is to improve coordination and administration of benefits and ensure that medical insurance benefits are properly utilized.

The state auditor found the HCA has not performed semiannual data sharing with insurers as required by state law. Rather, the HCA invited insurers to share the information using a

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format recommended by the federal government for data sharing. According to the state auditor, the identification of joint beneficiaries is then done by the HCA, not by the insurers as required by state law.

**Summary of Bill:** The primary responsibility for sharing information on joint beneficiaries is changed from the HCA to the insurers. Health insurers must share information on beneficiary eligibility and coverage with the HCA for the purpose of identifying joint beneficiaries.

The requirement that the information be provided at least semiannually is eliminated.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The bill is intended to clear up issues that the State Auditor raised. The purpose of the information sharing is to better coordinate benefits. The Health Care Authority is currently in compliance with federal law, but not state law. This bill is just to align state law with current agency practice related to data collection.

**Persons Testifying:** PRO: Representative Frank Chopp, Prime Sponsor; Shawn O'Neill, Legislative Relations Manager, HCA.

**Persons Signed In To Testify But Not Testifying:** No one.