
Health Care & Wellness Committee

HB 1639

Brief Description: Requiring entities offering medicare advantage coverage in Washington to provide certain disclosures to consumers.

Sponsors: Representatives Bernbaum, Macri, Reed, Doglio, Ormsby, Parshley and Simmons.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires Medicare Advantage issuers to make certain consumer disclosures about denials of claims.

Hearing Date: 2/7/25

Staff: Jim Morishima (786-7191).

Background:

Medicare Advantage.

Medicare is a federal health insurance program covering individuals 65 years of age or older and younger individuals with certain disabilities. Individuals enrolling in Medicare may enroll in traditional Medicare, which is administered by the federal government, or Medicare Advantage, which is administered by private insurers.

Medicare Advantage plans are regulated almost exclusively by federal law, which preempts most state law in this area. One exception to this general rule is that Medicare Advantage issuers are subject to state laws relating to licensing and solvency. State laws of general applicability are also not preempted.

Beginning in 2026, Medicare Advantage plans must make prior authorization data publicly available on their web sites. The data must include:

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- items and services subject to prior authorization;
- the percentage of standard prior authorization requests that were approved;
- the percentage of standard prior authorization requests that were denied;
- the percentage of standard prior authorization requests that were approved after appeal;
and
- the average and median time elapsed between a request and a determination.

The Consumer Protection Act.

The Consumer Protection Act (CPA) prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce. The Attorney General may bring an action to enforce the provisions of the CPA. In addition, a person injured by a violation of the CPA may bring a civil action in which the person may be awarded court costs, attorney fees, and treble damages.

Summary of Bill:

An entity offering Medicare Advantage coverage to Washington residents must disclose the following information to enrollees and potential enrollees prior to enrollment and upon request after enrollment:

- the entity's claims denial rate expressed as a percentage;
- the percentage of denied claims granted upon appeal; and
- the process through which an enrollee may appeal a denial of coverage.

Violations of this requirement constitute a violation of the Consumer Protection Act.

Appropriation: None.

Fiscal Note: Requested on January 31, 2025.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.