



## Washington Association of Health Underwriters

### **Legislative Update ~ February 22, 2010**

Dear WAHU Member,

Below, please find the legislative update for the week of February 22nd. Please note that this update deals only with bills that are: pending, passed, or dead. This week the Senate and House are both scheduled to release their budget proposals which could include substantial tax increases that may impact our industry. As that information becomes clearer updates will be distributed to all members.

Thank you,

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### **House Passes Amended Measure Intended to Clarify Census in a Small Employer Plan**

The House has passed an amended version of HB 2997—a measure that has been introduced at the request of the Association of Washington Health Plans to clarify the determination of the census of a small group so that rates can be determined and offered to small employers on a timely basis. The measure was passed on a final vote of 96-0 with two member excused.

Current law does not define a census date. When the bill was considered at hearing in the House, representatives from the Association of Washington Healthcare Plans, individual carriers, AHIP and the Washington Association of Health Underwriters testified in support of the bill.

Carriers noted that last year the OIC determined that the census day must be the actual census on the effective date of the policy. This determination would make it impossible for carriers to provide accurate rate quotes to small groups prior to the effective date of coverage.

As introduced, HB 2997 would allow for a census to be taken 60 days before the effective date of the policy so that a rate quote can be provided to small employers on a timely basis. Representatives from the Washington Association of Health Underwriters, however, commented that the bill should allow the census to be taken 60 days before the open enrollment date, which would allow more time for small

employers to review their options on a timely basis. In response to this testimony, the bill was amended to allow for a census to be taken 90 days prior to the effective date of coverage.

The House passed the amended bill, and it has now been scheduled for hearing on Monday, February 22 before the Senate Health & Long Term Care Committee.

### **House Kills Controversial Measure Regarding Coverage for Emergency Health Care Services**

The House Ways and Means Committee has killed HB 2779—a measure that was intended to clarify the circumstances involving coverage for the delivery of health care services by non-participating providers, and to prevent balance billing. The bill was killed when it was not brought to a vote before the cut-off for committee action.

The measure was introduced by Rep. Eileen Cody, Chair of the House Health Care & Wellness Committee. Rep. Cody argued that consumers need to be protected from balance billing by non-participating providers. The Washington State Medical Association, together with the Washington State Hospital Association and the American College of Emergency Physicians testified in opposition to the measure. The WSMA hired former Insurance Commissioner Deborah Senn to testify in opposition to the bill. Opponents argued that the bill amounts to price-fixing, and damages Washington health care providers who are already paid less than providers in other states under Medicare. A companion bill in the Senate—SB 6400—was also killed in committee when it was not brought to a vote before the cut-off for action.

### **Proposals to Establish Non-Profit Corporation to Fund Vaccines for Children Move Forward**

On Wednesday, February 10 the Senate passed SB 6263—a measure that would create a new non-profit corporation, the Washington Vaccine Association, to provide funding for vaccines. The bill was approved without a dissenting vote. The program would be funded by new assessments imposed on health carriers and third party administrators, and the funding would be intended to provide vaccines for children. The measure has already been considered by the House Health Care & Wellness Committee, and is likely to be brought to a vote in committee on Tuesday, February 23.

Meanwhile, the House approved a companion measure (HB 2551) on Friday, February 12. HB 2551 was considered at hearing by the Senate Health & Long Term Care Committee on Thursday, February 18. The measure has not yet been scheduled for a vote by the committee.

### **House Passes Controversial Bill Dealing with Dental Charges—Senate Committee Considers House-Passed Measure**

On Wednesday, February 10 the House passed HB 2686—a measure which would prohibit participating provider agreements from imposing restrictions on charges that relate to services that are not covered under the applicable contract. The bill was approved without a dissenting vote. The measure has now been referred to the Senate Health & Long Term Care Committee where it was considered at a hearing on Thursday, February 18. Health plans have expressed concern that transparency should be a top priority and that consumers often have no idea of the costs of uncovered services. Fee schedules offer transparent pricing and consumer protections.

### **Senate Kills Bill to Force School Districts and ESD's to Purchase Health Benefits through the PEBB**

The Senate has killed 2SSB 5491 when it was not brought to a vote prior to the cut-off on Tuesday, February 16. The measure would have required school districts and ESD's to purchase health benefits through the state after September 1, 2012. The bill was introduced and defeated last year with the strong opposition of WAHU, the Washington Education Association, and various health plans. The bill was revived this year when it was pulled to the Senate floor for possible consideration. Opponents worked hard to express opposition to the bill, and it was killed when it was not brought to a vote.