



Washington Association of Health Underwriters

Legislative Update ~ March 11, 2010

Dear WAHU Member,

Below, please find the legislative update as of March 10th, 2010. Attached to this email you will also find a summary chart of the recently passed tax packages from both the house and the Senate. There does not appear to be any revenue or tax proposals that directly impact agents/brokers or insurers.

You will also see that despite our best efforts HB 2997, the bill we supported which allowed for a 90 day time frame for carriers to determine the “census” so that timely rate quotes for small group employers could be generated, failed to come to a vote before the cut off timeline of 5:00 p.m. on Friday, March 5th and died in the Senate. Fortunately, since this update was written, the House amended SB 6538 to include the language clarifying the 90-day census provisions formerly in HB 2997 and the Senate concurred yesterday sending the bill to Governor Gregoire for signature.

You will find more details below.

Thank you,

Mark Rose

Legislative Chair, Washington

Washington Association of Health Underwriters

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Legislators Devise Strategy to Save Legislation to Clarify Census in a Small Employer Plan

House and Senate leaders have developed a strategy to salvage critical legislation that is intended to clarify when the census of a small group can be taken. Creative thinking was required when the Senate failed to bring SHB 2997 to a vote prior to the cut-off for consideration of bills on Friday, March 5. After frantic work by health plans, the Washington Association of Health Underwriters, and others, the bill was put on a short list of bills to be taken up before the deadline, but the 5:00 p.m. deadline arrived without the bill being brought to a vote.

Although the SHB 2997 is dead as an independent bill, House and Senate leaders quickly devised a plan to amend the content of SHB 2997 onto ESSB 6538—the bill that changes the definition of a small group from 2-50 employees to 1-50 employees. Thus, ESSB 6538 will carry the content of SHB 2997 as well as the new definition of a small group. SHB 2997 was 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.

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 have allowed 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 amendment to ESSB 6538 will allow for a census to be taken 90 days prior to the effective date of coverage, drawn directly from SHB 2997.

ESSB 6538 is currently on the Senate concurrence calendar for consideration of amendments adopted in the House. In order to allow for the measure to be amended further to carry the content of SHB 2997, it is planned that the Senate will vote not to concur in the House amendments to ESSB 6538, which will send the bill back to the House. Once back in the House, the plan is for ESSB 6538 to be opened up for an amendment carrying the content of SHB 2997. Republican and Democratic leaders in the House and Senate have agreed to the strategy. Once amended, ESSB 6538 will be passed by the House and sent to the Senate for consideration of the House amendments. Senate leaders have indicated that they will concur in the amendments, and that the amended bill will then go to Governor Gregoire.

Legislature Passes Measure to Establish Non-Profit Corporation to Fund Vaccines for Children—Measure Goes to Governor Gregoire

On Tuesday, March 2 the Senate took final action on 2SSB 2551—a measure that would create a new non-profit corporation, the Washington Vaccine Association, to provide funding for vaccines. The bill was previously passed by the House 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. Prior to passage amendments approved by the Senate Ways and Means Committee were adopted on the Senate floor. The amendments clarify the purpose of the association and require consideration of existing standards relating to mercury-containing vaccines. On Saturday, March 6 the House concurred in the Senate amendments to 2SSB 2551. The bill now goes to Governor Gregoire for consideration.

Senate Approves Bill Dealing with Dental Charges—House Concurs in Senate Amendments, Sending the Measure to the Governor

On Tuesday, March 2 the Senate passed SHB 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. Prior to passing the measure, the Senate adopted a committee amendment relating to the treatment of deductibles and coinsurance under the bill. On Saturday, March 6, the House concurred in the Senate amendments, sending the bill to Governor Gregoire for consideration. During hearings on the measure, health plans 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.