

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed and Be Referred to the House Committee on Rules

Vote: 7 - 2 - 1

Yeas: Barton, Cowan, Krieger, Matthews, Riley, Tomei, Holvey

Nays: Gilliam, Weidner

Exc.: Wingard

Prepared By: Victoria Cox, Administrator

Meeting Dates: 3/11, 4/22, 4/27

WHAT THE MEASURE DOES: Requires large employer group health insurers to submit requests for premium rate increases to Department of Consumer and Business Services (DCBS) for approval. Establishes information to be provided by insurer and criteria to be considered by DCBS. Creates process to challenge order in contested cases and allows award of attorney fees against insurer in favor of prevailing plaintiff. Applies to rate increases proposed on or after effective date of this Act.

ISSUES DISCUSSED:

- Impact of repeated premium increases on businesses
- Increases based on administrative expenses versus medical costs
- Controlling health care costs
- Difficulties encountered by consumer taking action to challenge rate increase
- Compatibility with other health care measures being considered

EFFECT OF COMMITTEE AMENDMENT: Removes portability provisions addressed under another statute. Requires insurers to separately report and justify increases in administrative expenses. Clarifies that rate approval decisions must be issued within 90 days of filing. Reduces public hearing notice requirement from 21 to 14 days. Requires a public hearing only in cases where a rate change meets an eight percent threshold and ten or more affected policyholders request such a hearing. Allows for exceptions to current law limiting rate increases to one per year in cases where approval process crosses anniversary date so that anniversary date need not be changed. Exempts "trade secrets" from public disclosure.

BACKGROUND: Repeated rate increases for health care premiums have raised significant concerns among businesses that cover employees as well as consumers who purchase coverage directly. The ability of consumers to challenge rate increases has been limited by the lack of access to information used to establish premium rates. By providing for standardized application to DCBS and publication of related information, HB 3145-A allows for public input into the rate-setting process.