

# HOUSE BILL REPORT

## HB 2772

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*As Reported By House Committee on:  
Financial Institutions & Insurance*

**Title:** An act relating to health coverage offered to employers prohibiting individual exclusions from coverage based solely on medical condition or health status.

**Brief Description:** Prohibiting individual exclusions from health coverage based solely on medical condition or health status.

**Sponsor(s):** Representatives Zellinsky, Dellwo, Haugen, Broback, R. Johnson, Anderson, Paris, Dorn, Winsley, Schmidt, R. Meyers, Brough, Wood, Ludwig, Hochstatter, Mitchell, J. Kohl and Nelson.

**Brief History:**

Reported by House Committee on:  
Financial Institutions & Insurance, February 7, 1992,  
DPS.

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**HOUSE COMMITTEE ON  
FINANCIAL INSTITUTIONS & INSURANCE**

**Majority Report:** *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 12 members: Representatives Dellwo, Chair; Zellinsky, Vice Chair; Broback, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Anderson; Inslee; R. Johnson; R. Meyers; Paris; Schmidt; Scott; and Winsley.

**Staff:** John Conniff (786-7119).

**Background:** Generally, employer sponsored group health care benefit plans do not require medical underwriting. Employees are covered without proof of good health. However, no provision of the insurance code prohibits a group insurance plan from requiring such proof of insurability.

**Summary of Substitute Bill:** Insurers, health care service contractors, and health maintenance organizations (HMO) may not exclude individuals from coverage under a group plan because of the health status of the individual. When determining whether to issue coverage to a group, insurers, contractors, and HMOs must base the decision on the risk

factors of the group as a whole and may not exclude individuals based solely on the individual's health status.

***Substitute Bill Compared to Original Bill:*** A definition of small employer groups is added.

***Fiscal Note:*** Not requested.

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

***Testimony For:*** Prohibiting insurers from excluding individual employees from coverage under an employer provided group health plan will prevent insurers from forcing persons in poor health into the state high risk health pool and will ensure fair treatment of employers.

***Testimony Against:*** None.

***Witnesses:*** (Pro) Matt Ryan, Kitsap Physician Service; and Mel Sorenson, Washington Physicians Service Blue Cross.