

**SHB 1220 - H AMD 262**

By Representative Rolfes

ADOPTED AS AMENDED 03/04/2011

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 48.02.120 and 1985 c 264 s 2 are each amended to read  
4 as follows:

5 (1) The commissioner shall preserve in permanent form records of  
6 his or her proceedings, hearings, investigations, and examinations, and  
7 shall file such records in his or her office.

8 (2) The records of the commissioner and insurance filings in his or  
9 her office shall be open to public inspection, except as otherwise  
10 provided by this code.

11 (3) Except as provided in subsection (4) of this section, actuarial  
12 formulas, statistics, and assumptions submitted in support of a rate or  
13 form filing by an insurer, health care service contractor, or health  
14 maintenance organization or submitted to the commissioner upon his or  
15 her request shall be withheld from public inspection in order to  
16 preserve trade secrets or prevent unfair competition.

17 (4)(a) Except as provided in (b) of this subsection, for a rate  
18 filing for an individual or small group health benefit plan with an  
19 effective date on or after January 1, 2012, subsection (3) of this  
20 section applies only to the numeric values of each rating factor used  
21 by a health carrier. The remainder of the rate filing shall be open to  
22 public inspection subject to subsection (5) of this section.

23 (b) Subsection (3) of this section shall continue to apply for a  
24 period of one year from the date a new individual or small group  
25 product filing is submitted or until the next rate filing for the  
26 product, whichever occurs earlier, if the commissioner determines that  
27 the proposed rate filing is for a new product that is distinct and  
28 unique from any of the carrier's currently or previously offered health  
29 benefit plans. A carrier must make a written request for a product

1 classification as a new product under this subsection (4)(b) and must  
2 receive subsequent written approval by the commissioner for this  
3 subsection (4)(b) to apply.

4 (5) Unless the commissioner has determined that a filing is for a  
5 new product pursuant to subsection (4) of this section, for individual  
6 or small group health benefit rate filings with an effective date on or  
7 after January 1, 2012, the commissioner shall:

8 (a) Make the portions of each rate filing that are open to public  
9 inspection available for public inspection on the tenth calendar day  
10 after the commissioner determines that the rate filing is complete and  
11 accepts the filing for review through the electronic rate and form  
12 filing system;

13 (b) Prepare a rate disclosure summary form in a standard format  
14 that is written in plain language easily understood by the general  
15 public. The summary must allow carriers to explain the relationship  
16 between premium and health care cost drivers. The summary must set  
17 forth, at a minimum, the following: (i) The rate increase, year over  
18 year, for annual increases, including historic rate adjustments for at  
19 least the past three years; (ii) any percent increase to current rates  
20 attributed to mandated changes, not including changes due to  
21 demographics; (iii) the number of members impacted by the rate; (iv)  
22 the impact of benefit changes on the rate; (v) the products' filed  
23 health care trend; (vi) the projected medical loss ratio for the rating  
24 period; (vii) the top three drivers contributing to the change in  
25 premiums; and (viii) other information added to the summary form by  
26 rule that the commissioner, in consultation with carriers, finds  
27 reasonably necessary to help consumers understand the reasons for  
28 proposed and accepted rates. A carrier shall complete the disclosure  
29 summary form and submit it electronically to the commissioner along  
30 with each individual or small group health benefit plan rate filing;  
31 and

32 (c) Prepare a standardized rate summary form to explain his or her  
33 findings after the rate review process is completed. The  
34 commissioner's summary form must be included as part of the rate filing  
35 documentation available to the public electronically.

36 (6) The commissioner shall adopt rules to implement and administer  
37 this section. The rules must include, but are not limited to, a  
38 process for updating the summary form content in subsection (5)(b) of

1 this section. In adopting rules under this section, the commissioner  
2 shall consult with carriers, as defined in RCW 48.43.005, and consumers  
3 in the development of the summary forms."

4 Correct the title.

EFFECT: Protects the following information from public inspection: Numeric values of each rating factor used by a health carrier in its individual or small group health benefit plan rate filings.

Preserves the exceptions to public inspection allowed under current law (i.e., actuarial formulae, statistics, and assumptions associated with the rate filing) for new products that are distinct and unique from a carrier's currently or previously offered plans (this exception lasts for one year or the date of the next filing, whichever occurs first); a carrier must make a written request to the Insurance Commissioner, which must be approved in writing in order for this exception to apply.

Requires the Insurance Commissioner to make any publicly available information 10 days after the Insurance Commissioner determines that the filing is complete and accepts the filing through the electronic rate and form filing system.

Requires the Insurance Commissioner to develop a rate disclosure summary in language easily understood by the public that allows carriers to explain the relationship between premium and health care cost drivers. Requires the rate disclosure summary form to contain the following information: (1) Annual rate increases for the past three years, (2) rate increases attributed to mandated changes, (3) the number of members impacted by the rate, (4) the impact of benefit changes on the rate, (5) the filed health care trend, (6) the projected medical loss ratio for the rating period, (7) the top three drivers contributing to the change in premiums, and (8) other information added to the summary form by rule that the Insurance Commissioner, in consultation with the carriers, finds reasonably necessary to help consumers understand the reasons for proposed and accepted rates. Requires carriers to complete the rate disclosure summary form and submit it electronically along with each individual or small group health benefit plan rate filing.

Requires the Insurance Commissioner to prepare a standardized rate summary form to explain his or her findings after the rate review process is completed. Requires the Insurance Commissioner's rate summary form to be included as part of the rate filing documentation available to the public electronically.

Requires the Insurance Commissioner to adopt rules, including a process for updating the rate disclosure summary forms. Requires the Insurance Commissioner to consult with carriers and consumers when developing summary forms.

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