

Fixed-payment benefit plans annual report

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Executive summary

Background

In 2007, the Washington State Legislature modified the definition of “health plan” in [RCW 48.43.005](#) to exclude fixed payment insurance plans offered as a stand-alone benefit. Fixed payment plans, sometimes called fixed indemnity plans, pay the same amount regardless of the actual provider charges for health care services. In contrast to traditional insurance plans, which often pay a share of the total cost of care after a deductible, fixed payment insurance pays a set benefit amount per specific medical expense. By excluding fixed payment plans with the 2007 fixed payment exclusion, the Legislature required under [RCW 48.43.650](#) that the Office of the Insurance Commissioner (OIC) must collect and report on those policies annually by June 1.

The law exempts fixed payment plans from complying with many mandated benefit requirements that apply to comprehensive medical insurance. Because fixed payment coverage is not comprehensive health insurance and the benefit amounts may be less than the cost of care, insurers must provide a disclosure form to help consumers understand that the coverage will not pay the entire cost of most medical expenses or hospital care. The companies must use a standard disclosure form, which they file with the OIC for approval.

Insurers sell fixed payment policies to individuals and to employer groups. Group fixed-payment policies allow employees to buy coverage through their employers. Under a typical benefit design, there is a set dollar amount for a doctor visit – such as \$25 per visit – or a daily benefit amount for a hospital stay – such as \$200 per day. There also may be a capped annual maximum benefit. These payments usually cover only a fraction of the actual cost of medical services.

This year’s 2025 Fixed Payment Benefit Plan Report reflects responses based on the 2024 calendar year. In this report, we compare the 2024 data with data we collected in 2017 through 2023 for comparative purposes.

Key findings

- The number of new individual policies and enrollees in 2024 did not change substantially from 2023, remaining stable at around 29,000 new policies and 41,800 new enrollees annually.
- The number of new group enrollees increased from 72,973 in 2023 to 97,159 enrollees in 2024.
- The total number of new and existing fixed payment policies and enrollees did not change substantially from 2023 to 2024, remaining stable at around 790,000 enrollees and 330,000 policies.
- The number of individual and group enrollees who do not renew their coverage is not requested by this survey.
- There were 37 complaints reported, up from 32 in 2023.

Annual report

Survey

To fulfill its annual reporting requirement, the OIC requires companies to complete a survey and submit data regarding their fixed payment insurance policies. The following survey information was requested:

- Did you write fixed payment policies in Washington state in 2024?
- Number of new fixed payment policies issued in 2024 – group.
- Number of new fixed payment policies issued in 2024 – individual.
- Number of new fixed payment policy group enrollees in 2024.
- Number of new individual fixed payment policy enrollees in 2024.
- Total number of enrollees on all fixed payment policies as of December 31, 2024.
- Total number of existing fixed payment policies in force as of December 31, 2024.
- Number of consumer complaints that the OIC forwarded to companies regarding fixed payment policies in 2024.

Survey findings

In 2024, OIC saw a slight increase in the number of companies writing fixed payment policies. Fifty-four companies reported they sell fixed payment policies to consumers as compared to 53 in 2023.

In 2024, companies reported 37 complaints forwarded from OIC regarding a fixed payment policy, as compared to 32 complaints in 2023.

Number of Companies that Wrote Fixed Payment Policies in WA

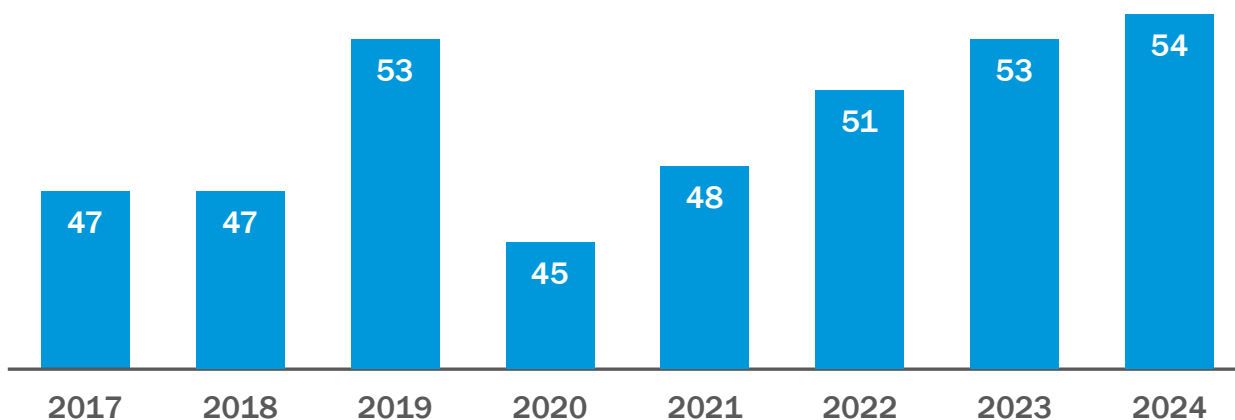


Figure 1: The total number of companies that write fixed payment policies in WA increased slightly in 2024 from 53 to 54. The number of companies that write fixed payment policies has been increasing since 2020.

Source: Company responses to the OIC survey for 2017-2024 benefit years. Data is reported based on prior benefit year, not survey year.

Number of Consumer Fixed Payment Plan Complaints with the OIC

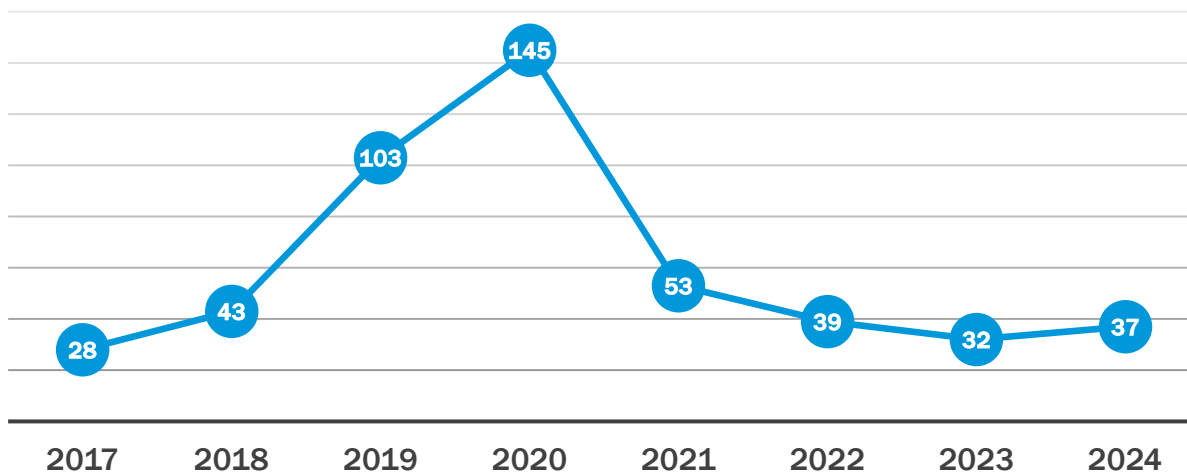


Figure 2: Companies reported a total of 37 consumer complaints in 2024. Compared to the 2023 count, the 2024 total represents a 16% increase (change of 5 complaints).

Source: Company responses to the OIC survey for 2017-2024 benefit years. Data is reported based on benefit year, not survey year.

Group market

The 2025 survey responses indicate that 31 companies issued new group policies with 29,547 new group policies, encompassing 97,159 new group enrollees. This is growth in the number of total new group enrollees as compared to 2023 (see Table 1 below).

Year	Number of companies that issued new group policies	Number of new group policies	Number of new group enrollees
2017	22	9,667	35,529
2018	23	10,193	31,585
2019	24	23,916	57,728
2020	20	10,175	22,901
2021	27	47,799	79,328
2022	28	16,477	67,403
2023	30	33,994	72,973
2024	31	29,547	97,159

Table 1: Total number of companies that issued new group fixed payment policies, the number of new group policies, and the number of new group enrollees per year.

Source: Company responses to the OIC survey for 2017-2024 benefit years. Data is reported based on benefit year, not survey year.

The total number of new group enrollees in fixed payment policies has been increasing for the past several years.

- The top 10 companies in the group market wrote 29,160 new policies, accounting for 99% of all new group policies and 86.7% of all new group enrollees in 2024.
- Twelve companies reported fewer than 1,000, but more than 200 new enrollees, up from five companies in 2023.
- Five companies reported between 1 and 200 new group enrollees, for a combined total of 314 enrollees (0.3% of all new group enrollees), down from 10 companies in 2023.
- Out of the 54 companies that wrote fixed payment policies in WA in 2024, 31 wrote group fixed payment policies.

Individual market

The market for fixed payment insurance coverage does not meet the definition of a comprehensive health plan and is not subject to the requirements of the [Affordable Care Act \(ACA\) \(Pub. L. No. 111-148 \(2010\)\)](#). These policies are not considered minimum essential coverage under the ACA. The table below details changes in the number of new individual policies and enrollees from 2017 through 2024.

Year	Number of companies that issued new individual policies	Number of new individual policies	Number of new individual enrollees
2017	32	46,198	76,670
2018	31	44,375	71,304
2019	35	47,673	74,387
2020	31	29,505	43,607
2021	30	35,814	54,218
2022	31	29,110	47,552
2023	31	28,937	41,799
2024	35	29,390	41,782

Table 2: Total number of companies that issued new individual fixed payment policies, the number of new individual policies, and the number of new individual enrollees per year.

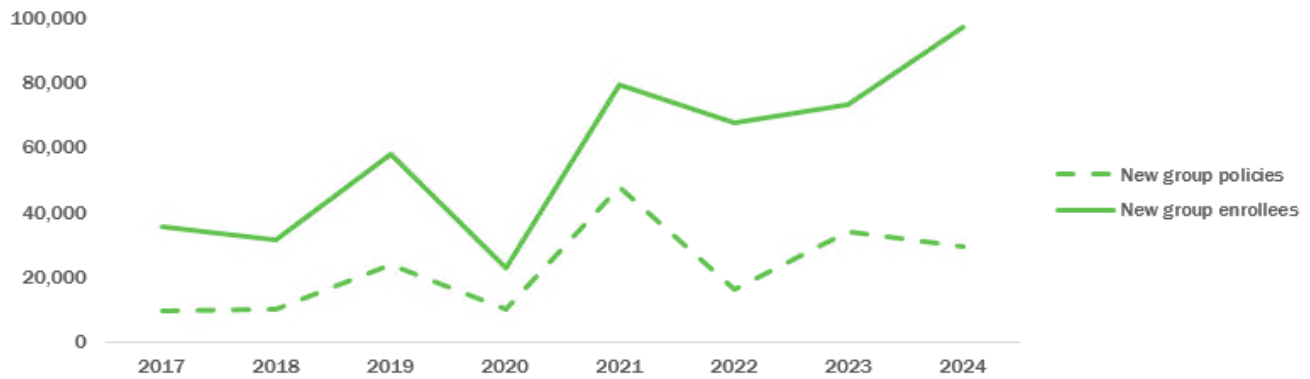
Source: Company responses to the OIC survey for 2017-2024 benefit years. Data is reported based on benefit year, not survey year.

The total number of new individual fixed payment policies and enrollees has remained relatively stable over the past several years.

- In 2024, 35 companies sold 29,390 individual fixed-payment policies. In 2023, 31 companies sold a total of 28,937 individual policies.
- In 2024, 10 companies issued 92% of all new individual policies sold in Washington state, covering 38,436 new individual enrollees.

The number of companies that are actively selling new individual fixed-payment policies is 35. Nineteen companies reported decreases in new individual enrollees.

New Group Policies and Enrollees



New Individual Policies and Enrollees

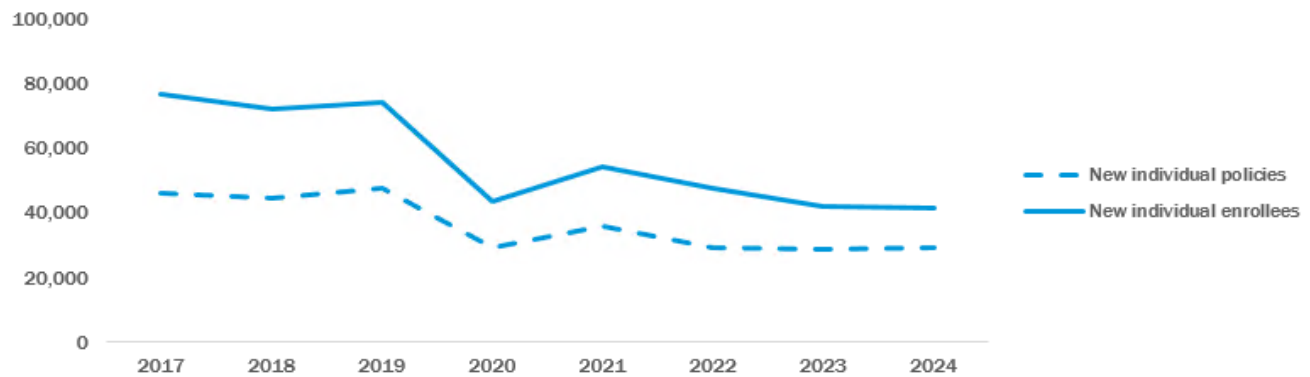


Figure 3: The number of new group policies and enrollees has seen a general increase since 2017. The number of new individual policies and enrollees has seen a slight decrease over the reporting period.

Source: Company responses to the OIC survey for 2017-2024 benefit years. Data is reported based on benefit year, not survey year.

Total number of policies and enrollees

In addition to new individual and group policy and enrollment data, the OIC gathers information on the total number of new and existing policies and enrollees from each insurer. In 2024, there were 798,917 fixed payment plan enrollees and 330,531 policies.

- The total number of new and existing fixed payment policy enrollees increased from 780,472 in 2023 to 798,917 in 2024, representing a 2.4% increase.
- The total number of new and existing fixed payment policies decreased from 336,451 in 2023 to 330,531 in 2024. This represents a 1.8% decrease.

Total Number of New and Existing Fixed Payment Enrollees and Policies

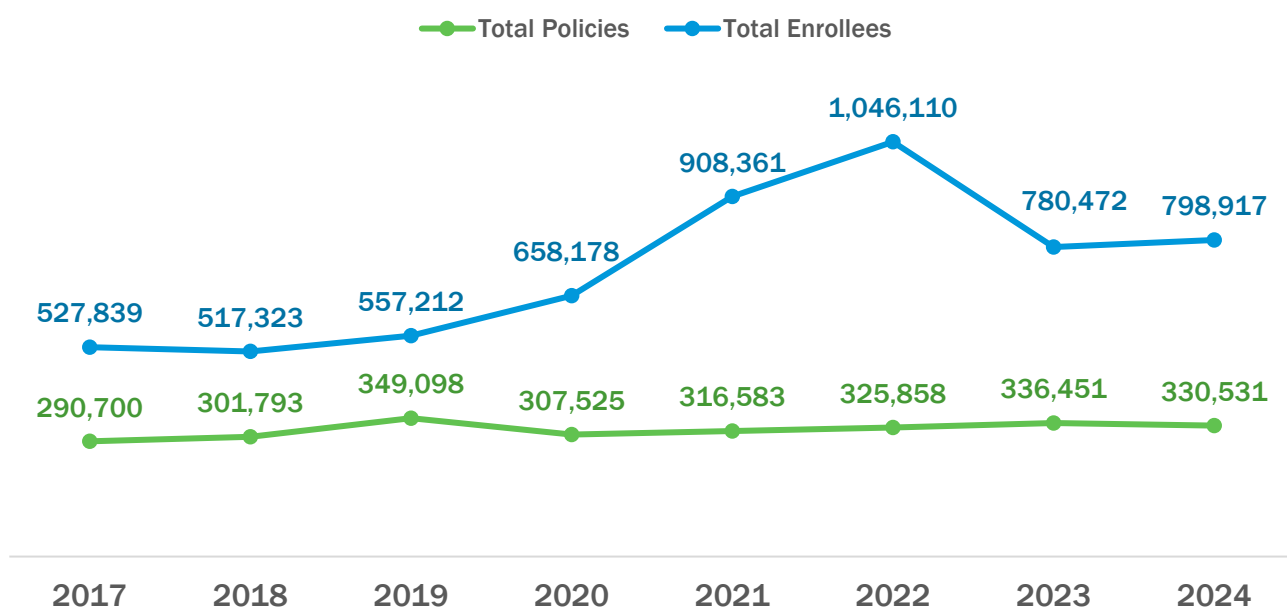


Figure 4: Companies reported a total of 798,917 enrolled members and 330,531 policies in 2024. Compared to the 2023 cumulative totals, the 2024 cumulative enrollment totals show a 2.4% increase (18,445 total enrollees) in overall enrollment, and a 1.8% decrease in the number of policies (a decrease of 5,920 policies).

Source: Company responses to the OIC survey for 2017-2024 benefit years. Data is reported based on benefit year, not survey year.

The total number of fixed payment policies and enrollees has not changed substantially from 2023 to 2024.

Fixed-payment policy complaints

Across all 54 companies that wrote fixed-payment policies in 2024, there were 37 recorded complaints from consumers reported to the OIC. This is a slight increase from 2023, when 32 complaints were reported. The complaints reported from 2024 related to 13 companies. The three companies with the most complaints accounted for 56.7% of all complaints.

Results summary

The 2024 survey data shows that the number of new individual enrollees remained virtually unchanged from last year, while the number of new individual policies saw a slight increase. The data indicates that the rate of new individual policies and enrollees is not changing substantially, with approximately 29,000 new policies for each of the last two years and approximately 41,800 new enrollees each year.

In the group market, there was a more substantial change in the number of policies and enrollees. The number of group policies decreased by 13% and the number of enrollees increased by 33% from 2023 to 2024.

The overall fixed payment market grew slightly in 2024. The total number of fixed payment enrollees increased by 18,445 individuals from 2023 to 2024. Over the past eight years, the total number of policies remained steady between 290,000 and 350,000, while the total number enrollees increased from 517,323 in 2018 to 798,917 in 2024. The total number of complaints has not changed substantially over the past three years after coming down from a high of 145 in 2020.