Directs the authority to issue a request for proposal for a Washington health insurance exchange by September 1, 2007. The exchange shall be designed to serve as a statewide, public-private partnership, offering maximum value for Washington state residents, through which nonlarge group health insurance may be bought and sold. Private entities may respond to the request for proposal. It is the goal of the exchange to: (1) Ensure that employees of small businesses and other individuals can find affordable health insurance;

- (2) Provide a mechanism for small businesses to contribute to their employees' coverage without the administrative burden of directly shopping or contracting for insurance;
- (3) Ensure that individuals can access coverage as they change and/or work in multiple jobs; and
- (4) Coordinate with other state health insurance assistance programs, including the department of social and health services medical assistance programs and the authority's basic health program.

Requires that, no later than two years after the exchange established under this act begins operation and every year thereafter, the exchange shall conduct a study of the exchange and the persons enrolled in the exchange and shall submit a written report to the governor and the legislature on the status and activities of the exchange based on data collected in the study. The report shall also be available to the general public.

Directs the office of the insurance commissioner to contract for an independent study of specific health benefit mandates, rating requirements, and other statutes and rules, as identified by in-state and out-of-state insurance carriers as contributing most to the cost of individual and small group health insurance, to determine the impact on premiums and individuals' health if those statutes or rules were amended or repealed.

Requires the office of the insurance commissioner to submit an interim report to the governor and appropriate committees of the legislature by December 1, 2007, and a final report by December 1, 2008.

Repeals 2006 c 100 s 7 (uncodified).