

HB 2117 - H AMD 110

By Representative Ericksen

SCOPE AND OBJECT 03/05/2009

1 On page 3, line 22, after "services;" strike "and" and insert
2 "~~(and)~~"

3 On page 3, line 23, after "(vi)" insert "Who is not between the
4 ages of nineteen and thirty-four and does not qualify for health plans
5 for young adults as provided in RCW 48.43.041, 48.44.022, 48.46.064, or
6 48.20.029; and
7 (vii)"

8 On page 3, line 27, strike "(vi)" and insert "~~((vi))~~ (vii)"

9 On page 3, line 35, strike "(vi)" and insert "~~((vi))~~ (vii)"

10 On page 14, after line 35, insert the following:

11 "**Sec. 6.** RCW 48.43.041 and 2000 c 79 s 26 are each amended to read
12 as follows:

13 (1) All individual health benefit plans, other than catastrophic
14 health plans, ~~((offered or renewed on or after October 1, 2000))~~ and
15 plans for young adults described in subsection (3) of this section,
16 shall include benefits described in this section. Nothing in this
17 section shall be construed to require a carrier to offer an individual
18 health benefit plan.

19 (a) Maternity services that include, with no enrollee cost-sharing
20 requirements beyond those generally applicable cost-sharing
21 requirements: Diagnosis of pregnancy; prenatal care; delivery; care
22 for complications of pregnancy; physician services; hospital services;
23 operating or other special procedure rooms; radiology and laboratory
24 services; appropriate medications; anesthesia; and services required
25 under RCW 48.43.115; and

1 (b) Prescription drug benefits with at least a two thousand dollar
2 benefit payable by the carrier annually.

3 (2) If a carrier offers a health benefit plan that is not a
4 catastrophic health plan to groups, and it chooses to offer a health
5 benefit plan to individuals, it must offer at least one health benefit
6 plan to individuals that is not a catastrophic health plan.

7 (3) Carriers may design and offer a separate health plan targeted
8 at young adults between nineteen and thirty-four years old. The plan
9 may include the benefits required under subsections (1) and (2) of this
10 section. The health plan designed for young adults is exempt from the
11 requirements of RCW 48.43.045(1), 48.43.515(5), 48.44.327, 48.20.392,
12 48.46.277, 48.43.043, 48.20.580, 48.21.241, 48.44.341, and 48.46.291.
13 Carriers that choose to exclude maternity services from a young adult
14 plan offered under this section must allow enrollees who become
15 pregnant to transfer to another health benefit plan with similar cost-
16 sharing provisions that provides coverage for maternity services, once
17 pregnancy is confirmed by a licensed provider. Carriers shall allow
18 the transfer to occur without applying a preexisting condition waiting
19 period or other limitation or penalty including, but not limited to,
20 satisfying a new deductible or stop-loss requirement.

21 **Sec. 7.** RCW 48.44.022 and 2006 c 100 s 3 are each amended to read
22 as follows:

23 (1) Except for health benefit plans covered under RCW 48.44.021,
24 premium rates for health benefit plans for individuals shall be subject
25 to the following provisions:

26 (a) The health care service contractor shall develop its rates
27 based on an adjusted community rate and may only vary the adjusted
28 community rate for:

- 29 (i) Geographic area;
- 30 (ii) Family size;
- 31 (iii) Age;
- 32 (iv) Tenure discounts; and
- 33 (v) Wellness activities.

34 (b) The adjustment for age in (a)(iii) of this subsection may not
35 use age brackets smaller than five-year increments which shall begin
36 with age twenty and end with age sixty-five. Individuals under the age
37 of twenty shall be treated as those age twenty.

1 (c) The health care service contractor shall be permitted to
2 develop separate rates for individuals age sixty-five or older for
3 coverage for which medicare is the primary payer and coverage for which
4 medicare is not the primary payer. Both rates shall be subject to the
5 requirements of this subsection.

6 (d) Except as provided in subsection (2) of this section, the
7 permitted rates for any age group shall be no more than four hundred
8 twenty-five percent of the lowest rate for all age groups on January 1,
9 1996, four hundred percent on January 1, 1997, and three hundred
10 seventy-five percent on January 1, 2000, and thereafter.

11 (e) A discount for wellness activities shall be permitted to
12 reflect actuarially justified differences in utilization or cost
13 attributed to such programs.

14 (f) The rate charged for a health benefit plan offered under this
15 section may not be adjusted more frequently than annually except that
16 the premium may be changed to reflect:

17 (i) Changes to the family composition;

18 (ii) Changes to the health benefit plan requested by the
19 individual; or

20 (iii) Changes in government requirements affecting the health
21 benefit plan.

22 (g) For the purposes of this section, a health benefit plan that
23 contains a restricted network provision shall not be considered similar
24 coverage to a health benefit plan that does not contain such a
25 provision, provided that the restrictions of benefits to network
26 providers result in substantial differences in claims costs. This
27 subsection does not restrict or enhance the portability of benefits as
28 provided in RCW 48.43.015.

29 (h) A tenure discount for continuous enrollment in the health plan
30 of two years or more may be offered, not to exceed ten percent.

31 (2) Adjusted community rates established under this section shall
32 pool the medical experience of all individuals purchasing coverage,
33 except individuals purchasing coverage under RCW 48.44.021, and shall
34 not be required to be pooled with the medical experience of health
35 benefit plans offered to small employers under RCW 48.44.023. Carriers
36 may treat young adults and products developed specifically for them
37 consistent with RCW 48.43.041(3) as a single-banded experience pool for

1 purposes of establishing rates. The rates established for this age
2 group are not subject to subsection (1)(d) of this section.

3 (3) As used in this section and RCW 48.44.023 "health benefit
4 plan," "small employer," "adjusted community rates," and "wellness
5 activities" mean the same as defined in RCW 48.43.005.

6 **Sec. 8.** RCW 48.46.064 and 2006 c 100 s 5 are each amended to read
7 as follows:

8 (1) Except for health benefit plans covered under RCW 48.46.063,
9 premium rates for health benefit plans for individuals shall be subject
10 to the following provisions:

11 (a) The health maintenance organization shall develop its rates
12 based on an adjusted community rate and may only vary the adjusted
13 community rate for:

- 14 (i) Geographic area;
- 15 (ii) Family size;
- 16 (iii) Age;
- 17 (iv) Tenure discounts; and
- 18 (v) Wellness activities.

19 (b) The adjustment for age in (a)(iii) of this subsection may not
20 use age brackets smaller than five-year increments which shall begin
21 with age twenty and end with age sixty-five. Individuals under the age
22 of twenty shall be treated as those age twenty.

23 (c) The health maintenance organization shall be permitted to
24 develop separate rates for individuals age sixty-five or older for
25 coverage for which medicare is the primary payer and coverage for which
26 medicare is not the primary payer. Both rates shall be subject to the
27 requirements of this subsection.

28 (d) Except as provided in subsection (2) of this section, the
29 permitted rates for any age group shall be no more than four hundred
30 twenty-five percent of the lowest rate for all age groups on January 1,
31 1996, four hundred percent on January 1, 1997, and three hundred
32 seventy-five percent on January 1, 2000, and thereafter.

33 (e) A discount for wellness activities shall be permitted to
34 reflect actuarially justified differences in utilization or cost
35 attributed to such programs.

36 (f) The rate charged for a health benefit plan offered under this

1 section may not be adjusted more frequently than annually except that
2 the premium may be changed to reflect:

- 3 (i) Changes to the family composition;
- 4 (ii) Changes to the health benefit plan requested by the
5 individual; or
- 6 (iii) Changes in government requirements affecting the health
7 benefit plan.

8 (g) For the purposes of this section, a health benefit plan that
9 contains a restricted network provision shall not be considered similar
10 coverage to a health benefit plan that does not contain such a
11 provision, provided that the restrictions of benefits to network
12 providers result in substantial differences in claims costs. This
13 subsection does not restrict or enhance the portability of benefits as
14 provided in RCW 48.43.015.

15 (h) A tenure discount for continuous enrollment in the health plan
16 of two years or more may be offered, not to exceed ten percent.

17 (2) Adjusted community rates established under this section shall
18 pool the medical experience of all individuals purchasing coverage,
19 except individuals purchasing coverage under RCW 48.46.063, and shall
20 not be required to be pooled with the medical experience of health
21 benefit plans offered to small employers under RCW 48.46.066. Carriers
22 may treat young adults and products developed specifically for them
23 consistent with RCW 48.43.041(3) as a single-banded experience pool for
24 purposes of establishing rates. The rates established for this age
25 group are not subject to subsection (1)(d) of this section.

26 (3) As used in this section and RCW 48.46.066, "health benefit
27 plan," "adjusted community rate," "small employer," and "wellness
28 activities" mean the same as defined in RCW 48.43.005.

29 **Sec. 9.** RCW 48.20.029 and 2006 c 100 s 2 are each amended to read
30 as follows:

31 (1) Premiums for health benefit plans for individuals who purchase
32 the plan as a member of a purchasing pool:

33 (a) Consisting of five hundred or more individuals affiliated with
34 a particular industry;

35 (b) To whom care management services are provided as a benefit of
36 pool membership; and

1 (c) Which allows contributions from more than one employer to be
2 used towards the purchase of an individual's health benefit plan;
3 shall be calculated using the adjusted community rating method that
4 spreads financial risk across the entire purchasing pool of which the
5 individual is a member. All such rates shall conform to the following:

6 (i) The insurer shall develop its rates based on an adjusted
7 community rate and may only vary the adjusted community rate for:

- 8 (A) Geographic area;
- 9 (B) Family size;
- 10 (C) Age;
- 11 (D) Tenure discounts; and
- 12 (E) Wellness activities.

13 (ii) The adjustment for age in (c)(i)(C) of this subsection may not
14 use age brackets smaller than five-year increments which shall begin
15 with age twenty and end with age sixty-five. Individuals under the age
16 of twenty shall be treated as those age twenty.

17 (iii) The insurer shall be permitted to develop separate rates for
18 individuals age sixty-five or older for coverage for which medicare is
19 the primary payer, and coverage for which medicare is not the primary
20 payer. Both rates are subject to the requirements of this subsection.

21 (iv) Except as provided in subsection (2) of this section, the
22 permitted rates for any age group shall be no more than four hundred
23 twenty-five percent of the lowest rate for all age groups on January 1,
24 1996, four hundred percent on January 1, 1997, and three hundred
25 seventy-five percent on January 1, 2000, and thereafter.

26 (v) A discount for wellness activities shall be permitted to
27 reflect actuarially justified differences in utilization or cost
28 attributed to such programs not to exceed twenty percent.

29 (vi) The rate charged for a health benefit plan offered under this
30 section may not be adjusted more frequently than annually except that
31 the premium may be changed to reflect:

- 32 (A) Changes to the family composition;
- 33 (B) Changes to the health benefit plan requested by the individual;

34 or

35 (C) Changes in government requirements affecting the health benefit
36 plan.

37 (vii) For the purposes of this section, a health benefit plan that
38 contains a restricted network provision shall not be considered similar

1 coverage to a health benefit plan that does not contain such a
2 provision, provided that the restrictions of benefits to network
3 providers result in substantial differences in claims costs. This
4 subsection does not restrict or enhance the portability of benefits as
5 provided in RCW 48.43.015.

6 (viii) A tenure discount for continuous enrollment in the health
7 plan of two years or more may be offered, not to exceed ten percent.

8 (2) Adjusted community rates established under this section shall
9 not be required to be pooled with the medical experience of health
10 benefit plans offered to small employers under RCW 48.21.045. Carriers
11 may treat young adults and products developed specifically for them
12 consistent with RCW 48.43.041(3) as a single-banded experience pool for
13 purposes of establishing rates. The rates established for this age
14 group are not subject to subsection (1)(c)(iv) of this section.

15 (3) As used in this section, "health benefit plan," "adjusted
16 community rates," and "wellness activities" mean the same as defined in
17 RCW 48.43.005.

18 NEW SECTION. Sec. 10. A new section is added to chapter 48.43 RCW
19 to read as follows:

20 The office of the insurance commissioner shall make available
21 educational and outreach materials targeted to young adults age
22 nineteen to thirty-four years old, as funding becomes available.
23 Education and outreach efforts shall focus on educating young consumers
24 on the importance and value of health insurance, including educational
25 materials, public service messages, and other outreach activities. The
26 commissioner is authorized to fund these activities with grants,
27 donations, in-kind contributions, or other funding that may be
28 available."

29 Correct the title.

EFFECT: Limits eligibility for the basic health plan to
individuals over the age of thirty-four who no longer qualify for a
young adult health insurance health plan for individuals between the
ages of nineteen and thirty-five.

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