
HOUSE BILL 2926

State of Washington 61st Legislature 2010 Regular Session

By Representatives Green, Driscoll, and Hinkle

Read first time 01/18/10. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to duties of the health insurance partnership
2 board; and amending RCW 70.47A.110 and 70.47A.020.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 70.47A.110 and 2008 c 143 s 5 are each amended to read
5 as follows:

6 (1) The health insurance partnership board shall:

7 (a) Develop policies for enrollment of small employers in the
8 partnership, including minimum participation rules for small employer
9 groups. The small employer shall determine the criteria for
10 eligibility and enrollment in his or her plan and the terms and amounts
11 of the employer's contributions to that plan, consistent with any
12 minimum employer premium contribution level established by the board
13 under (d) of this subsection;

14 (b) Designate health benefit plans that are currently offered in
15 the small group market that will be offered to participating small
16 employers through the health insurance partnership and those plans that
17 will qualify for premium subsidy payments. Up to five health benefit
18 plans shall be chosen, with multiple deductible and point-of-service
19 cost-sharing options. The health benefit plans shall range from

1 catastrophic to comprehensive coverage, and one health benefit plan
2 shall be a high deductible health plan accompanied by a health savings
3 account. The board shall offer a direct patient-provider primary care
4 practice as defined in RCW 48.150.010 that includes a wraparound
5 insurance plan approved by the insurance commissioner to small
6 employers through the partnership. Every effort shall be made to
7 include health benefit plans that include components to maximize the
8 quality of care provided and result in improved health outcomes, such
9 as preventive care, wellness incentives, chronic care management
10 services, and provider network development and payment policies related
11 to quality of care;

12 (c) Approve a mid-range benefit plan from those selected to be used
13 as a benchmark plan for calculating premium subsidies;

14 (d) Determine whether there should be a minimum employer premium
15 contribution on behalf of employees, and if so, how much;

16 (e) Develop policies related to partnership participant enrollment
17 in health benefit plans. The board may focus its initial efforts on
18 access to coverage and affordability of coverage for participating
19 small employers and their employees. To the extent necessary for
20 successful implementation of the partnership, during a start-up phase
21 of partnership operation, the board may:

22 (i) Limit partnership participant health benefit plan choice; and

23 (ii) Offer former employees of participating small employers the
24 opportunity to continue coverage after separation from employment to
25 the extent that a former employee is eligible for continuation coverage
26 under 29 U.S.C. Sec. 1161 et seq.

27 The start-up phase may not exceed two years from the date the
28 partnership begins to offer coverage;

29 (f) Determine appropriate health benefit plan rating methodologies.
30 The methodologies shall be based on the small group adjusted community
31 rate as defined in Title 48 RCW. The board shall evaluate the impact
32 of applying the small group adjusted community rating methodology to
33 health benefit plans purchased through the partnership on the principle
34 of allowing each partnership participant to choose his or her health
35 benefit plan, and may implement one or more risk adjustment or
36 reinsurance mechanisms to reduce uncertainty for carriers and provide
37 for efficient risk management of high-cost enrollees;

1 (g) Determine whether the partnership should be designated as the
2 administrator of a participating small employer health benefit plan and
3 undertake the obligations required of a plan administrator under
4 federal law in order to minimize administrative burdens on
5 participating small employers;

6 (h) Conduct analyses and provide recommendations as requested by
7 the legislature and the governor, with the assistance of staff from the
8 health care authority and the office of the insurance commissioner.

9 (2) The board may authorize one or more limited health care service
10 plans for dental care services to be offered by limited health care
11 service contractors under RCW 48.44.035. However, such plan shall not
12 qualify for subsidy payments.

13 (3) In fulfilling the requirements of this section, the board shall
14 consult with small employers, the office of the insurance commissioner,
15 members in good standing of the American academy of actuaries, health
16 carriers, agents and brokers, and employees of small business.

17 **Sec. 2.** RCW 70.47A.020 and 2008 c 143 s 1 are each amended to read
18 as follows:

19 The definitions in this section apply throughout this chapter
20 unless the context clearly requires otherwise.

21 (1) "Administrator" means the administrator of the Washington state
22 health care authority, established under chapter 41.05 RCW.

23 (2) "Board" means the health insurance partnership board
24 established in RCW 70.47A.100.

25 (3) "Eligible partnership participant" means a partnership
26 participant who:

27 (a) Is a resident of the state of Washington; and

28 (b) Has family income that does not exceed two hundred percent of
29 the federal poverty level, as determined annually by the federal
30 department of health and human services.

31 (4) "Health benefit plan" has the same meaning as defined in RCW
32 48.43.005, and shall include wraparound insurance plans approved by the
33 insurance commissioner in which the primary care is provided by a
34 direct patient-provider primary care practice, as defined in RCW
35 48.150.010.

36 (5) "Participating small employer" means a small employer that has
37 entered into an agreement with the partnership to purchase health

1 benefits through the partnership. To participate in the partnership,
2 an employer must attest to the fact that (a) the employer does not
3 currently offer health insurance to its employees, and (b) at least
4 fifty percent of the employer's employees are low-wage workers.

5 (6) "Partnership" means the health insurance partnership
6 established in RCW 70.47A.030.

7 (7) "Partnership participant" means a participating small employer
8 and employees of a participating small employer, and, except to the
9 extent provided otherwise in RCW 70.47A.110(1)(e), a former employee of
10 a participating small employer who chooses to continue receiving
11 coverage through the partnership following separation from employment.

12 (8) "Small employer" has the same meaning as defined in RCW
13 48.43.005.

14 (9) "Subsidy" or "premium subsidy" means payment or reimbursement
15 to an eligible partnership participant toward the purchase of a health
16 benefit plan, and may include a net billing arrangement with insurance
17 carriers and direct patient-provider primary care practices or a
18 prospective or retrospective payment for health benefit plan premiums,
19 including direct patient-provider primary care practice direct fees if
20 the health benefit plan is composed of a wraparound insurance plan
21 which is used with a direct patient-provider primary care practice to
22 provide primary care.

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