
HOUSE BILL 3203

State of Washington

61st Legislature

2010 Regular Session

By Representatives Seaquist and Alexander

Read first time 03/01/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to the authority of the health care authority to
2 offer health coverage plans to nonsubsidized enrollees; and amending
3 RCW 70.47.060.

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

5 **Sec. 1.** RCW 70.47.060 and 2009 c 568 s 3 are each amended to read
6 as follows:

7 The administrator has the following powers and duties:

8 (1) To design and from time to time revise a schedule of covered
9 basic health care services, including physician services, inpatient and
10 outpatient hospital services, prescription drugs and medications, and
11 other services that may be necessary for basic health care. In
12 addition, the administrator may, to the extent that funds are
13 available, offer as basic health plan services chemical dependency
14 services, mental health services, and organ transplant services. All
15 subsidized and nonsubsidized enrollees in any participating managed
16 health care system under the Washington basic health plan shall be
17 entitled to receive covered basic health care services in return for
18 premium payments to the plan. The schedule of services shall emphasize
19 proven preventive and primary health care and shall include all

1 services necessary for prenatal, postnatal, and well-child care.
2 However, with respect to coverage for subsidized enrollees who are
3 eligible to receive prenatal and postnatal services through the medical
4 assistance program under chapter 74.09 RCW, the administrator shall not
5 contract for such services except to the extent that such services are
6 necessary over not more than a one-month period in order to maintain
7 continuity of care after diagnosis of pregnancy by the managed care
8 provider. The schedule of services shall also include a separate
9 schedule of basic health care services for children, eighteen years of
10 age and younger, for those subsidized or nonsubsidized enrollees who
11 choose to secure basic coverage through the plan only for their
12 dependent children. In designing and revising the schedule of
13 services, the administrator shall consider the guidelines for assessing
14 health services under the mandated benefits act of 1984, RCW 48.47.030,
15 and such other factors as the administrator deems appropriate. The
16 administrator shall encourage enrollees who have been continually
17 enrolled on basic health for a period of one year or more to complete
18 a health risk assessment and participate in programs approved by the
19 administrator that may include wellness, smoking cessation, and chronic
20 disease management programs. In approving programs, the administrator
21 shall consider evidence that any such programs are proven to improve
22 enrollee health status.

23 (2)(a) To design and implement a structure of periodic premiums due
24 the administrator from subsidized enrollees that is based upon gross
25 family income, giving appropriate consideration to family size and the
26 ages of all family members. The enrollment of children shall not
27 require the enrollment of their parent or parents who are eligible for
28 the plan. The structure of periodic premiums shall be applied to
29 subsidized enrollees entering the plan as individuals pursuant to
30 subsection (11) of this section and to the share of the cost of the
31 plan due from subsidized enrollees entering the plan as employees
32 pursuant to subsection (12) of this section.

33 (b) To determine the periodic premiums due the administrator from
34 subsidized enrollees under RCW 70.47.020(~~(+6)~~) (9)(b). Premiums due
35 for foster parents with gross family income up to two hundred percent
36 of the federal poverty level shall be set at the minimum premium amount
37 charged to enrollees with income below sixty-five percent of the
38 federal poverty level. Premiums due for foster parents with gross

1 family income between two hundred percent and three hundred percent of
2 the federal poverty level shall not exceed one hundred dollars per
3 month.

4 (c) To determine the periodic premiums due the administrator from
5 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees
6 shall be in an amount equal to the cost charged by the managed health
7 care system provider to the state for the plan plus the administrative
8 cost of providing the plan to those enrollees and the premium tax under
9 RCW 48.14.0201.

10 (d) To determine the periodic premiums due the administrator from
11 health coverage tax credit eligible enrollees. Premiums due from
12 health coverage tax credit eligible enrollees must be in an amount
13 equal to the cost charged by the managed health care system provider to
14 the state for the plan, plus the administrative cost of providing the
15 plan to those enrollees and the premium tax under RCW 48.14.0201. The
16 administrator will consider the impact of eligibility determination by
17 the appropriate federal agency designated by the Trade Act of 2002
18 (P.L. 107-210) as well as the premium collection and remittance
19 activities by the United States internal revenue service when
20 determining the administrative cost charged for health coverage tax
21 credit eligible enrollees.

22 (e) An employer or other financial sponsor may, with the prior
23 approval of the administrator, pay the premium, rate, or any other
24 amount on behalf of a subsidized or nonsubsidized enrollee, by
25 arrangement with the enrollee and through a mechanism acceptable to the
26 administrator. The administrator shall establish a mechanism for
27 receiving premium payments from the United States internal revenue
28 service for health coverage tax credit eligible enrollees.

29 (f) To develop, as an offering by every health carrier providing
30 coverage identical to the basic health plan, as configured on January
31 1, 2001, a basic health plan model plan with uniformity in enrollee
32 cost-sharing requirements.

33 (g) To collect from all public employees a voluntary opt-in
34 donation of varying amounts through a monthly or one-time payroll
35 deduction as provided for in RCW 41.04.230. The donation must be
36 deposited in the health services account established in RCW 43.72.900
37 to be used for the sole purpose of maintaining enrollment capacity in
38 the basic health plan.

1 The administrator shall send an annual notice to state employees
2 extending the opportunity to participate in the opt-in donation program
3 for the purpose of saving enrollment slots for the basic health plan.
4 The first such notice shall be sent to public employees no later than
5 June 1, 2009.

6 The notice shall include monthly sponsorship levels of fifteen
7 dollars per month, thirty dollars per month, fifty dollars per month,
8 and any other amounts deemed reasonable by the administrator. The
9 sponsorship levels shall be named "safety net contributor," "safety net
10 hero," and "safety net champion" respectively. The donation amounts
11 provided shall be tied to the level of coverage the employee will be
12 purchasing for a working poor individual without access to health care
13 coverage.

14 The administrator shall ensure that employees are given an
15 opportunity to establish a monthly standard deduction or a one-time
16 deduction towards the basic health plan donation program. The basic
17 health plan donation program shall be known as the "save the safety net
18 program."

19 The donation permitted under this subsection may not be collected
20 from any public employee who does not actively opt in to the donation
21 program. Written notification of intent to discontinue participation
22 in the donation program must be provided by the public employee at
23 least fourteen days prior to the next standard deduction.

24 (3) To evaluate, with the cooperation of participating managed
25 health care system providers, the impact on the basic health plan of
26 enrolling health coverage tax credit eligible enrollees. The
27 administrator shall issue to the appropriate committees of the
28 legislature preliminary evaluations on June 1, 2005, and January 1,
29 2006, and a final evaluation by June 1, 2006. The evaluation shall
30 address the number of persons enrolled, the duration of their
31 enrollment, their utilization of covered services relative to other
32 basic health plan enrollees, and the extent to which their enrollment
33 contributed to any change in the cost of the basic health plan.

34 (4) To end the participation of health coverage tax credit eligible
35 enrollees in the basic health plan if the federal government reduces or
36 terminates premium payments on their behalf through the United States
37 internal revenue service.

1 (5) To design and implement a structure of enrollee cost-sharing
2 due a managed health care system from subsidized, nonsubsidized, and
3 health coverage tax credit eligible enrollees. The structure shall
4 discourage inappropriate enrollee utilization of health care services,
5 and may utilize copayments, deductibles, and other cost-sharing
6 mechanisms, but shall not be so costly to enrollees as to constitute a
7 barrier to appropriate utilization of necessary health care services.

8 (6) To limit enrollment of persons who qualify for subsidies so as
9 to prevent an overexpenditure of appropriations for such purposes.
10 Whenever the administrator finds that there is danger of such an
11 overexpenditure, the administrator shall close enrollment until the
12 administrator finds the danger no longer exists. Such a closure does
13 not apply to health coverage tax credit eligible enrollees who receive
14 a premium subsidy from the United States internal revenue service as
15 long as the enrollees qualify for the health coverage tax credit
16 program. To prevent the risk of overexpenditure, the administrator may
17 disenroll persons receiving subsidies from the program based on
18 criteria adopted by the administrator. The criteria may include:
19 Length of continual enrollment on the program, income level, or
20 eligibility for other coverage. The administrator shall first attempt
21 to identify enrollees who are eligible for other coverage, and, working
22 with the department of social and health service as provided in RCW
23 70.47.010(5)(d), transition enrollees eligible for medical assistance
24 to that coverage. The administrator shall develop criteria for persons
25 disenrolled under this subsection to reapply for the program.

26 (7) To limit the payment of subsidies to subsidized enrollees, as
27 defined in RCW 70.47.020. The level of subsidy provided to persons who
28 qualify may be based on the lowest cost plans, as defined by the
29 administrator.

30 (8) To adopt a schedule for the orderly development of the delivery
31 of services and availability of the plan to residents of the state,
32 subject to the limitations contained in RCW 70.47.080 or any act
33 appropriating funds for the plan.

34 (9) To solicit and accept applications from managed health care
35 systems, as defined in this chapter, for inclusion as eligible basic
36 health care providers under the plan for subsidized enrollees,
37 nonsubsidized enrollees, or health coverage tax credit eligible
38 enrollees. The administrator shall endeavor to assure that covered

1 basic health care services are available to any enrollee of the plan
2 from among a selection of two or more participating managed health care
3 systems. In adopting any rules or procedures applicable to managed
4 health care systems and in its dealings with such systems, the
5 administrator shall consider and make suitable allowance for the need
6 for health care services and the differences in local availability of
7 health care resources, along with other resources, within and among the
8 several areas of the state. Contracts with participating managed
9 health care systems shall ensure that basic health plan enrollees who
10 become eligible for medical assistance may, at their option, continue
11 to receive services from their existing providers within the managed
12 health care system if such providers have entered into provider
13 agreements with the department of social and health services.

14 (10) To receive periodic premiums from or on behalf of subsidized,
15 nonsubsidized, and health coverage tax credit eligible enrollees,
16 deposit them in the basic health plan operating account, keep records
17 of enrollee status, and authorize periodic payments to managed health
18 care systems on the basis of the number of enrollees participating in
19 the respective managed health care systems.

20 (11)(a) To accept applications from individuals residing in areas
21 served by the plan, on behalf of themselves and their spouses and
22 dependent children, for enrollment in the Washington basic health plan
23 as subsidized, nonsubsidized, or health coverage tax credit eligible
24 enrollees, to give priority to members of the Washington national guard
25 and reserves who served in Operation Enduring Freedom, Operation Iraqi
26 Freedom, or Operation Noble Eagle, and their spouses and dependents,
27 for enrollment in the Washington basic health plan, to establish
28 appropriate minimum-enrollment periods for enrollees as may be
29 necessary, and to determine, upon application and on a reasonable
30 schedule defined by the authority, or at the request of any enrollee,
31 eligibility due to current gross family income for sliding scale
32 premiums. Funds received by a family as part of participation in the
33 adoption support program authorized under RCW 26.33.320 and (~~74.13.100~~
34 ~~through 74.13.145~~) 74.13A.005 through 74.13A.080 shall not be counted
35 toward a family's current gross family income for the purposes of this
36 chapter. When an enrollee fails to report income or income changes
37 accurately, the administrator shall have the authority either to bill
38 the enrollee for the amounts overpaid by the state or to impose civil

1 penalties of up to two hundred percent of the amount of subsidy
2 overpaid due to the enrollee incorrectly reporting income. The
3 administrator shall adopt rules to define the appropriate application
4 of these sanctions and the processes to implement the sanctions
5 provided in this subsection, within available resources. No subsidy
6 may be paid with respect to any enrollee whose current gross family
7 income exceeds twice the federal poverty level or, subject to RCW
8 70.47.110, who is a recipient of medical assistance or medical care
9 services under chapter 74.09 RCW. If a number of enrollees drop their
10 enrollment for no apparent good cause, the administrator may establish
11 appropriate rules or requirements that are applicable to such
12 individuals before they will be allowed to reenroll in the plan.

13 (b) The administrator shall not accept applications for enrollment
14 from individuals for nonsubsidized coverage in a health plan that has
15 a schedule of covered basic health care services, enrollee cost
16 sharing, or annual benefit limitations that differ significantly from
17 the services, cost sharing, or annual benefit limitations of the
18 subsidized basic health plan, unless the legislature has provided
19 affirmative legislative authorization for such enrollment in policy
20 legislation or the biennial appropriations act.

21 (12) To accept applications from business owners on behalf of
22 themselves and their employees, spouses, and dependent children, as
23 subsidized or nonsubsidized enrollees, who reside in an area served by
24 the plan. The administrator may require all or the substantial
25 majority of the eligible employees of such businesses to enroll in the
26 plan and establish those procedures necessary to facilitate the orderly
27 enrollment of groups in the plan and into a managed health care system.
28 The administrator may require that a business owner pay at least an
29 amount equal to what the employee pays after the state pays its portion
30 of the subsidized premium cost of the plan on behalf of each employee
31 enrolled in the plan. Enrollment is limited to those not eligible for
32 medicare who wish to enroll in the plan and choose to obtain the basic
33 health care coverage and services from a managed care system
34 participating in the plan. The administrator shall adjust the amount
35 determined to be due on behalf of or from all such enrollees whenever
36 the amount negotiated by the administrator with the participating
37 managed health care system or systems is modified or the administrative
38 cost of providing the plan to such enrollees changes.

1 (13) To determine the rate to be paid to each participating managed
2 health care system in return for the provision of covered basic health
3 care services to enrollees in the system. Although the schedule of
4 covered basic health care services will be the same or actuarially
5 equivalent for similar enrollees, the rates negotiated with
6 participating managed health care systems may vary among the systems.
7 In negotiating rates with participating systems, the administrator
8 shall consider the characteristics of the populations served by the
9 respective systems, economic circumstances of the local area, the need
10 to conserve the resources of the basic health plan trust account, and
11 other factors the administrator finds relevant.

12 (14) To monitor the provision of covered services to enrollees by
13 participating managed health care systems in order to assure enrollee
14 access to good quality basic health care, to require periodic data
15 reports concerning the utilization of health care services rendered to
16 enrollees in order to provide adequate information for evaluation, and
17 to inspect the books and records of participating managed health care
18 systems to assure compliance with the purposes of this chapter. In
19 requiring reports from participating managed health care systems,
20 including data on services rendered enrollees, the administrator shall
21 endeavor to minimize costs, both to the managed health care systems and
22 to the plan. The administrator shall coordinate any such reporting
23 requirements with other state agencies, such as the insurance
24 commissioner and the department of health, to minimize duplication of
25 effort.

26 (15) To evaluate the effects this chapter has on private employer-
27 based health care coverage and to take appropriate measures consistent
28 with state and federal statutes that will discourage the reduction of
29 such coverage in the state.

30 (16) To develop a program of proven preventive health measures and
31 to integrate it into the plan wherever possible and consistent with
32 this chapter.

33 (17) To provide, consistent with available funding, assistance for
34 rural residents, underserved populations, and persons of color.

35 (18) In consultation with appropriate state and local government
36 agencies, to establish criteria defining eligibility for persons
37 confined or residing in government-operated institutions.

1 (19) To administer the premium discounts provided under RCW
2 48.41.200(3)(a) (i) and (ii) pursuant to a contract with the Washington
3 state health insurance pool.

4 (20) To give priority in enrollment to persons who disenrolled from
5 the program in order to enroll in medicaid, and subsequently became
6 ineligible for medicaid coverage.

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