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HOUSE BILL 1936

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State of Washington

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1995 Regular Session

By Representatives Hymes, Brumsickle, L. Thomas, Clements, Schoesler, Dyer, Cooke, Lisk, Sherstad, Mielke, Lambert, Backlund, McMorris, Thompson and Hargrove

Read first time 02/15/95. Referred to Committee on Health Care.

1 AN ACT Relating to privatizing medical assistance; adding a new  
2 section to chapter 74.09 RCW; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** LEGISLATIVE FINDINGS. The legislature finds  
5 that medicaid recipients need to be moved into the mainstream health  
6 care financing and delivery system as soon as possible. A system of  
7 two tiers of medical delivery is antithetical to notions of elemental  
8 fairness as well as perpetuates cycles of dependency. The legislature  
9 finds that it is desirable to privatize the medicaid system to the  
10 extent consistent with federal law and sound health care financing and  
11 delivery practice.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09 RCW  
13 to read as follows:

14 PRIVATIZING MEDICAID. (1) Notwithstanding any other provisions of  
15 this chapter, the secretary of social and health services is directed  
16 to develop a plan to privatize the medicaid system by January 1, 1997,  
17 or as soon as the federal government permits the state to do so,  
18 whichever is later.

1 (2) The secretary is directed to apply for a federal waiver under  
2 the appropriate provisions of federal law to permit the privatization  
3 to go forward.

4 (3) The privatization plan shall contain, at least, the following  
5 features:

6 (a) All medicaid eligibles shall be given a voucher by the state,  
7 which shall be redeemable by any participating payer licensed to do  
8 business in the state pursuant to Title 48 RCW;

9 (b) The plan may exclude long-term care;

10 (c) The plan shall include copayments and other deterrents to  
11 unnecessary utilization commonly found in private sector health care  
12 insurance policies; but copayments and other deterrents may not be  
13 applied to preventive care specifically including childhood  
14 vaccinations;

15 (d) The plan shall not permit payers to use provider panels that  
16 are not also available to a substantial portion of their nonmedicaid  
17 enrollees;

18 (e) To the greatest extent possible, medicaid enrollees enrolled  
19 through this program shall have no distinguishing features in their  
20 payer identification cards or papers so that providers and other  
21 enrollees are unaware of their medicaid status;

22 (f) Quality assurance programs that ensure that adverse financial  
23 incentives to providers are not resulting in medically necessary care  
24 being withheld;

25 (g) Access to the financing mechanism of a medical savings account  
26 when and if they are permitted under either state or federal law;

27 (h) Paperwork requirements on carriers shall be minimized so as to  
28 encourage as many payers as possible to participate thereby expanding  
29 the scope of choice for medicaid eligibles;

30 (i) The plan may permit only some payers to participate if that is  
31 clearly necessary in order to attract payers to participate, but the  
32 secretary shall allow at least one carrier each regulated pursuant to  
33 chapters 48.20, 48.44, and 48.46 RCW in every geographic market;

34 (j) Each policy issued by a payer must include at least the  
35 following services: All of federal medicaid mandates, inpatient care  
36 for mental health, mental retardation, and substance abuse,  
37 prescription drugs, prenatal coverage, and childhood vaccinations;

1 (k) No plan may impose waiting periods relating to preexisting  
2 conditions except as consistent with other requirements of law relating  
3 to the regulation of preexisting conditions and waiting periods.

4 (4) The secretary shall file the plan for comment with the health  
5 services commission, insurance commissioner, department of health, and  
6 governor's office before adopting the plan by rule.

7 NEW SECTION. **Sec. 3.** REPORTS TO THE LEGISLATURE. The secretary  
8 shall file a report with the health committees of both houses of the  
9 legislature on December 1 of each year detailing the progress made  
10 toward implementing this program and thereafter on the success of the  
11 program with suggested legislative changes, if any.

12 NEW SECTION. **Sec. 4.** CAPTIONS. Captions as used in this act  
13 constitute no part of the law.

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