
HOUSE BILL 2614

State of Washington 54th Legislature 1996 Regular Session

By Representatives Fuhrman, Dyer, D. Sommers, Sherstad and McMorris

Read first time 01/15/96. Referred to Committee on Health Care.

1 AN ACT Relating to allowing health condition to be a consideration
2 for enrollment in some individual health plans; and amending RCW
3 48.43.025 and 48.43.035.

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

5 **Sec. 1.** RCW 48.43.025 and 1995 c 265 s 6 are each amended to read
6 as follows:

7 (1) No carrier may reject an individual for health plan coverage
8 based upon preexisting conditions of the individual and no carrier may
9 deny, exclude, or otherwise limit coverage for an individual's
10 preexisting health conditions; except that a carrier may impose a
11 three-month benefit waiting period for preexisting conditions for which
12 medical advice was given, or for which a health care provider
13 recommended or provided treatment within three months before the
14 effective date of coverage.

15 (2) No carrier may avoid the requirements of this section through
16 the creation of a new rate classification or the modification of an
17 existing rate classification. A new or changed rate classification
18 will be deemed an attempt to avoid the provisions of this section if
19 the new or changed classification would substantially discourage

1 applications for coverage from individuals or groups who are higher
2 than average health risks. These provisions apply only to individuals
3 who are Washington residents.

4 (3) This section does not apply to a health plan for individuals
5 that is not the mandatory offering that provides benefits equivalent to
6 the basic health plan under RCW 48.20.028, 48.44.022, and 48.46.064.

7 **Sec. 2.** RCW 48.43.035 and 1995 c 265 s 7 are each amended to read
8 as follows:

9 (1) Except as provided in subsection (6) of this section, all
10 health carriers shall accept for enrollment any state resident within
11 the carrier's service area and provide or assure the provision of all
12 covered services regardless of age, sex, family structure, ethnicity,
13 race, health condition, geographic location, employment status,
14 socioeconomic status, other condition or situation, or the provisions
15 of RCW 49.60.174(2). The insurance commissioner may grant a temporary
16 exemption from this subsection, if, upon application by a health
17 carrier the commissioner finds that the clinical, financial, or
18 administrative capacity to serve existing enrollees will be impaired if
19 a health carrier is required to continue enrollment of additional
20 eligible individuals.

21 (2) Except as provided in subsection (5) of this section, all
22 health plans shall contain or incorporate by endorsement a guarantee of
23 the continuity of coverage of the plan. For the purposes of this
24 section, a plan is "renewed" when it is continued beyond the earliest
25 date upon which, at the carrier's sole option, the plan could have been
26 terminated for other than nonpayment of premium. In the case of group
27 plans, the carrier may consider the group's anniversary date as the
28 renewal date for purposes of complying with the provisions of this
29 section.

30 (3) The guarantee of continuity of coverage required in health
31 plans shall not prevent a carrier from canceling or nonrenewing a
32 health plan for:

33 (a) Nonpayment of premium;

34 (b) Violation of published policies of the carrier approved by the
35 insurance commissioner;

36 (c) Covered persons entitled to become eligible for medicare
37 benefits by reason of age who fail to apply for a medicare supplement

1 plan or medicare cost, risk, or other plan offered by the carrier
2 pursuant to federal laws and regulations;

3 (d) Covered persons who fail to pay any deductible or copayment
4 amount owed to the carrier and not the provider of health care
5 services;

6 (e) Covered persons committing fraudulent acts as to the carrier;

7 (f) Covered persons who materially breach the health plan; or

8 (g) Change or implementation of federal or state laws that no
9 longer permit the continued offering of such coverage.

10 (4) The provisions of this section do not apply in the following
11 cases:

12 (a) A carrier has zero enrollment on a product; or

13 (b) A carrier replaces a product and the replacement product is
14 provided to all covered persons within that class or line of business,
15 includes all of the services covered under the replaced product, and
16 does not significantly limit access to the kind of services covered
17 under the replaced product. The health plan may also allow
18 unrestricted conversion to a fully comparable product; or

19 (c) A carrier is withdrawing from a service area or from a segment
20 of its service area because the carrier has demonstrated to the
21 insurance commissioner that the carrier's clinical, financial, or
22 administrative capacity to serve enrollees would be exceeded.

23 (5) The provisions of this section do not apply to health plans
24 deemed by the insurance commissioner to be unique or limited or have a
25 short-term purpose, after a written request for such classification by
26 the carrier and subsequent written approval by the insurance
27 commissioner.

28 (6) A carrier may reject a request for enrollment for a health plan
29 for individuals based on health condition when that health plan is not
30 the mandatory offering that provides benefits equivalent to the basic
31 health plan under RCW 48.20.028, 48.44.022, and 48.46.064.

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