
SENATE BILL 5450

State of Washington

54th Legislature

1995 Regular Session

By Senators Quigley, Moyer, Wojahn, Deccio, Winsley and Franklin; by request of Health Services Commission

Read first time 01/24/95. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to ensuring access to the uniform benefits package
2 under circumstances of religious objection; amending RCW 43.72.130,
3 43.72.210, and 43.72.220; providing an effective date; and declaring an
4 emergency.

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

6 **Sec. 1.** RCW 43.72.130 and 1993 c 492 s 449 are each amended to
7 read as follows:

8 (1) The commission shall define the uniform benefits package, which
9 shall include those health services that, consistent with the goals and
10 intent of chapter 492, Laws of 1993, are effective and necessary on a
11 societal basis for the maintenance of the health of citizens of the
12 state, weighed against the need to control state health services
13 expenditures.

14 (2) The schedule of covered health services shall emphasize proven
15 preventive and primary health care and shall be composed of the
16 following essential health services: (a) Primary and specialty health
17 services; (b) inpatient and outpatient hospital services; (c)
18 prescription drugs and medications; (d) reproductive services; (e)
19 services necessary for maternity and well-child care, including

1 preventive dental services for children; and (f) case-managed chemical
2 dependency, mental health, short-term skilled nursing facility, home
3 health, and hospice services, to the extent that such services reduce
4 inappropriate utilization of more intensive or less efficacious medical
5 services. The commission shall determine the specific schedule of
6 health services within the uniform benefits package, including
7 limitations on scope and duration of services. The schedule shall be
8 the benefit and actuarial equivalent of the schedule of benefits
9 offered by the basic health plan on January 1, 1993, including any
10 additions that may result from the inclusion of the services listed in
11 (c) through (f) of this subsection. The commission shall consider the
12 recommendations of the health services effectiveness ((panels
13 {committee})) committee established pursuant to RCW 43.72.060 in
14 defining the uniform benefits package.

15 (3) The uniform benefits package shall not limit coverage for
16 preexisting or prior conditions, except that the commission shall
17 establish exclusions for preexisting or prior conditions to the extent
18 necessary to prevent residents from waiting until health services are
19 needed before enrolling in a certified health plan.

20 (4) The commission shall establish enrollee point of service cost-
21 sharing for nonpreventive health services, related to enrollee
22 household income, such that financial considerations are not a barrier
23 to access for low-income persons, but that, for those of means, the
24 uniform benefits package provides for moderate point of service cost-
25 sharing. All point of service cost-sharing and cost control
26 requirements shall apply uniformly to all health care providers
27 providing substantially similar uniform benefits package services. The
28 schedule shall provide for an alternate and lower schedule of cost-
29 sharing applicable to enrollees with household income below the federal
30 poverty level.

31 (5) The commission shall adopt rules related to coordination of
32 benefits and premium payments. The rules shall not have the effect of
33 eliminating enrollee financial participation. The commission shall
34 endeavor to assure an equitable distribution, among both employers and
35 employees, of the costs of coverage for those households composed of
36 more than one member in the work force.

37 (6) In determining the uniform benefits package, the commission
38 shall endeavor to seek the opinions of and information from the public.
39 The commission shall consider the results of official public health

1 assessment and policy development activities including recommendations
2 of the department of health in discharging its responsibilities under
3 this section.

4 (7) The commission shall submit the following to the legislature by
5 December 1, 1994, and by December 1 of the year preceding any year in
6 which the commission proposes to significantly modify the uniform
7 benefits package: (a) The uniform benefits package; and (b) an
8 independent actuarial analysis of the cost of the proposed package,
9 giving consideration to the factors considered under RCW 43.72.040(6).
10 The commission shall not modify the services included in the uniform
11 benefits package before January 1, 1999.

12 (8) The commission shall adopt rules allowing individuals,
13 religious organizations, religiously sponsored organizations, or other
14 organizations with an identified religious or moral tenet opposed to
15 abortion services to purchase the uniform benefits package from
16 certified health plans without the abortion benefit. At a minimum,
17 these rules shall define the employers permitted to exercise this
18 option, the process by which certified health plans will offer this
19 option, and the mechanism that all certified health plans offering the
20 uniform benefits package without abortion to individuals and qualified
21 groups must offer to all enrollees a reinstatement of the abortion
22 benefit. The commission may also contract to implement the mechanism
23 established to carry out this provision.

24 **Sec. 2.** RCW 43.72.210 and 1993 c 492 s 463 are each amended to
25 read as follows:

26 (1) All residents of the state of Washington are required to
27 purchase a uniform benefits package from a certified health plan no
28 later than July 1, 1999. This participation requirement shall be
29 waived if imposition of the requirement would constitute a violation of
30 the freedom of religion provisions set forth in the First Amendment,
31 United States Constitution or Article I, section 11 of the state
32 Constitution. Alternatively, if the individual is objecting to the
33 inclusion of the abortion benefit in the uniform benefits package, the
34 individual may choose to comply with the provisions of RCW
35 43.72.130(8). Residents of the state of Washington who work in another
36 state for an out-of-state employer shall be deemed to have satisfied
37 the requirements of this section if they receive health insurance
38 coverage through such employer.

1 (2) The commission shall monitor the enrollment of individuals into
2 certified health plans and shall make public periodic reports
3 concerning the number of persons enrolled and not enrolled, the reasons
4 why individuals are not enrolled, recommendations to reduce the number
5 of persons not enrolled, and recommendations regarding enforcement of
6 this provision.

7 **Sec. 3.** RCW 43.72.220 and 1993 c 494 s 3 are each amended to read
8 as follows:

9 (1) The legislature recognizes that small businesses play an
10 essential and increasingly important role in the state's economy. The
11 legislature further recognizes that many of the state's small business
12 owners provide health insurance to their employees through small group
13 policies at a cost that directly affects their profitability. Other
14 small business owners are prevented from providing health benefits to
15 their employees by the lack of access to affordable health insurance
16 coverage. The legislature intends that the provisions of chapter 492,
17 Laws of 1993 make health insurance more available and affordable to
18 small businesses in Washington state through strong cost control
19 mechanisms and the option to purchase health benefits through the basic
20 health plan, the Washington state group purchasing association, and
21 health insurance purchasing cooperatives.

22 (2) On July 1, 1995, every employer employing more than five
23 hundred qualified employees shall:

24 (a) Offer a choice of the uniform benefits package as provided by
25 at least three available certified health plans, one of which shall be
26 the lowest cost available package within their geographic region, and
27 for employers who have established a registered employer health plan,
28 one of which may be its own registered employer health plan, to all
29 qualified employees. The employer shall be required to pay no less
30 than fifty percent of the premium cost of the lowest cost available
31 package within their geographic region. On July 1, 1996, all
32 dependents of qualified employees of these firms shall be offered a
33 choice of packages as provided in this section with the employer paying
34 no less than fifty percent of the premium of the lowest cost package
35 within their geographic region.

36 (b) For employees who work fewer than thirty hours during a week or
37 one hundred twenty hours during a calendar month, three hundred sixty
38 hours during a calendar quarter or one thousand four hundred forty

1 hours during a calendar year, and their dependents, pay, for the period
2 of time adopted by the employer under this subsection, the amount
3 resulting from application of the following formula: The number of
4 hours worked by the employee in a month is multiplied by the amount of
5 a qualified employee's premium, and that amount is then divided by one
6 hundred twenty.

7 (c) If an employee under (b) of this subsection is the dependent of
8 a qualified employee, and is therefore covered as a dependent by the
9 qualified employee's employer, then the employer of the employee under
10 (b) of this subsection shall not be required to participate in the cost
11 of the uniform benefits package for that employee.

12 (d) If an employee working on a seasonal basis is a qualified
13 employee of another employer, and therefore has uniform benefits
14 package coverage through that primary employer, then the seasonal
15 employer of the employee shall not be required to participate in the
16 cost of the uniform benefits package for that employee.

17 (3) By July 1, 1996, every employer employing more than one hundred
18 qualified employees shall:

19 (a) Offer a choice of the uniform benefits package as provided by
20 at least three available certified health plans, one of which shall be
21 the lowest cost available package within their geographic region, to
22 all qualified employees. The employer shall be required to pay no less
23 than fifty percent of the premium cost of the lowest cost available
24 package within their geographic region. On July 1, 1997, all
25 dependents of qualified employees in these firms shall be offered a
26 choice of packages as provided in this section with the employer paying
27 no less than fifty percent of the premium of the lowest cost package
28 within their geographic region.

29 (b) For employees who work fewer than thirty hours during a week or
30 one hundred twenty hours during a calendar month, three hundred sixty
31 hours during a calendar quarter or one thousand four hundred forty
32 hours during a calendar year, and their dependents, pay, for the period
33 of time adopted by the employer under this subsection, the amount
34 resulting from application of the following formula: The number of
35 hours worked by the employee in a month is multiplied by the amount of
36 a qualified employee's premium, and that amount is then divided by one
37 hundred twenty.

38 (c) If an employee under (b) of this subsection is the dependent of
39 a qualified employee, and is therefore covered as a dependent by the

1 qualified employee's employer, then the employer of the employee under
2 (b) of this subsection shall not be required to participate in the cost
3 of the uniform benefits package for that employee.

4 (d) If an employee working on a seasonal basis is a qualified
5 employee of another employer, and therefore has uniform benefits
6 package coverage through that primary employer, then the seasonal
7 employer of the employee shall not be required to participate in the
8 cost of the uniform benefits package for that employee.

9 (4) By July 1, 1997, every employer shall:

10 (a) Offer a choice of the uniform benefits package as provided by
11 at least three available certified health plans, one of which shall be
12 the lowest cost available package within their geographic region, to
13 all qualified employees. The employer shall be required to pay no less
14 than fifty percent of the premium cost of the lowest cost available
15 package within their geographic region. On July 1, 1999, all
16 dependents of qualified employees in all firms shall be offered a
17 choice of packages as provided in this section with the employer paying
18 no less than fifty percent of the premium of the lowest cost package
19 within their geographic region.

20 (b) For employees who work fewer than thirty hours during a week or
21 one hundred twenty hours during a calendar month, three hundred sixty
22 hours during a calendar quarter or one thousand four hundred forty
23 hours during a calendar year, and their dependents, pay, for the period
24 of time adopted by the employer under this subsection, the amount
25 resulting from application of the following formula: The number of
26 hours worked by the employee in a month is multiplied by the amount of
27 a qualified employee's premium, and that amount is then divided by one
28 hundred twenty.

29 (c) If an employee under (b) of this subsection is the dependent of
30 a qualified employee, and is therefore covered as a dependent by the
31 qualified employee's employer, then the employer of the employee under
32 (b) of this subsection shall not be required to participate in the cost
33 of the uniform benefits package for that employee.

34 (d) If an employee working on a seasonal basis is a qualified
35 employee of another employer, and therefore has uniform benefits
36 package coverage through that primary employer, then the seasonal
37 employer of the employee shall not be required to participate in the
38 cost of the uniform benefits package for that employee.

1 (5) This employer participation requirement shall be waived if
2 imposition of the requirement would constitute a violation of the
3 freedom of religion provisions of the First Amendment of the United
4 States Constitution or Article I, section 11, of the state
5 Constitution. In such case the employer shall, pursuant to commission
6 rules, set aside an amount equal to the applicable employer
7 contribution level in a manner that would permit his or her employee to
8 fully comply with the requirements of this chapter. If the employer is
9 objecting on these grounds to the inclusion of the abortion benefit in
10 the uniform benefits package, the employer may choose to comply with
11 the provisions of RCW 43.72.130(8).

12 (6) In lieu of offering the uniform benefits package to employees
13 and their dependents through direct contracts with certified health
14 plans, an employer may combine the employer contribution with that of
15 the employee's contribution and enroll in the basic health plan as
16 provided in chapter 70.47 RCW or a health insurance purchasing
17 cooperative established under RCW 43.72.080 and 48.43.160. Any subsidy
18 that may be provided according to the provisions of chapter 70.47 RCW
19 shall not lessen the employer's obligation to pay a minimum of fifty
20 percent of the premium and the full amount of the direct subsidy shall
21 be for the benefit of the employee or the dependent.

22 (7) For purposes of determining the financial obligation of an
23 employer who enrolls employees or employees and their adult dependents
24 in the basic health plan, the premium shall be the per adult, per
25 month, cost of coverage in the plan, including administration.

26 NEW SECTION. Sec. 4. This act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of the
28 state government and its existing public institutions, and shall take
29 effect July 1, 1995.

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