

SENATE BILL 5935

State of Washington

54th Legislature

1995 Regular Session

By Senators Quigley, Wojahn, Franklin, C. Anderson, Fairley, Gaspard, Haugen, Snyder, Pelz, Spanel, Sheldon, Loveland, Fraser, Kohl, Hargrove, McAuliffe, Prentice, Heavey, Drew, Rasmussen, Bauer, Rinehart, Sutherland, Smith, Owen and Winsley

Read first time 02/15/95. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to consumer protection in the purchase of health
2 care; amending RCW 48.30.010; adding new sections to chapter 43.72 RCW;
3 adding a new section to chapter 48.01 RCW; adding a new section to
4 chapter 43.70 RCW; adding new sections to chapter 48.43 RCW; adding a
5 new section to chapter 70.47 RCW; adding a new section to chapter 43.19
6 RCW; adding a new section to Title 51 RCW; adding a new chapter to
7 Title 48 RCW; creating new sections; repealing RCW 48.43.020,
8 48.43.030, 48.43.040, 48.43.050, 48.43.060, 48.43.070, 48.43.080,
9 48.43.090, 48.43.100, 48.43.110, 48.43.120, 48.43.130, 48.43.150,
10 43.72.220, 43.72.240, 43.72.810, 43.72.210, and 43.72.120; making
11 appropriations; providing an effective date; and declaring an
12 emergency.

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

PART I

PROTECTION OF CONSUMER CHOICE AND QUALITY HEALTH CARE

16 NEW SECTION. **Sec. 1.** The legislature intends through the
17 enactment of Part I of this act to protect an individual's right to
18 decide from which provider he or she will receive health services and

1 to maintain a high quality health care system. The legislature intends
2 to achieve this by: Requiring certain insurers to offer a plan that
3 allows consumers to see "any willing provider"; maintaining traditional
4 indemnity insurance plans in addition to managed care plans; allowing
5 the use of medical savings accounts; providing whistleblower protection
6 for anyone who complains about the quality of care in any health
7 facility or within any health plan; requiring full disclosure of the
8 contents of a health plan; requiring disclosure of staff ratios in
9 hospitals and qualifications of providers; requiring plans to conduct
10 annual patient satisfaction surveys; and allowing employers,
11 individuals, health care facilities, and religiously sponsored health
12 plans to choose nonparticipation with any health service to which they
13 object.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.72 RCW
15 to read as follows:

16 In addition to the requirements under RCW 43.72.100, a certified
17 health plan, except for a health maintenance organization licensed
18 under chapter 48.46 RCW, shall offer the minimum list of health
19 services to all Washington residents in at least one plan that provides
20 direct enrollee access to any health provider eligible to receive
21 payment under that plan. This plan shall encourage, but not require,
22 its enrollees to use the most cost-effective providers. Differential
23 reimbursement to providers shall be permitted in this plan. Within
24 this plan, the certified health plan must permit every health care
25 provider willing and able to meet the terms and conditions of the plan
26 to provide health services or care for conditions included in the
27 minimum list of health services to the extent that:

28 (1) The provision of such health services or care is within the
29 health care providers' permitted scope of practice; and

30 (2) The providers agree to abide by standards related to:

31 (a) Provision, utilization review, and cost containment of health
32 services;

33 (b) Management and administrative procedures; and

34 (c) Provision of cost-effective and clinically efficacious health
35 services.

36 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.72 RCW
37 to read as follows:

1 In addition to the meaning ascribed to it in RCW 43.72.010,
2 "managed care" means an integrated system of insurance, financing, and
3 health services delivery functions that assumes financial risk for
4 delivery of health services and includes the following cost containment
5 features: Second surgical opinions, precertification authorization,
6 utilization review, and high cost case management.

7 NEW SECTION. **Sec. 4.** (1) This chapter shall be known as the
8 medical care savings account act.

9 (2) The legislature recognizes that the costs of health care are
10 increasing rapidly and most individuals are removed from participating
11 in the purchase of their health care.

12 As a result, it becomes critical to encourage and support solutions
13 to alleviate the demand for diminishing state resources. In response
14 to these increasing costs in health care spending, the legislature
15 intends to clarify that medical care savings accounts may be offered as
16 health benefit options to all residents as incentives to reduce
17 unnecessary health services utilization, administration, and paperwork,
18 and to encourage individuals to be in charge of and participate
19 directly in their use of service and health care spending. To
20 alleviate the possible impoverishment of residents requiring long-term
21 care, medical care savings accounts may promote savings for long-term
22 care and provide incentives for individuals to protect themselves from
23 financial hardship due to a long-term health care need.

24 (3) Medical care savings accounts are authorized in Washington
25 state as options to employers and residents.

26 NEW SECTION. **Sec. 5.** A new section is added to chapter 48.01 RCW
27 to read as follows:

28 (1) The identity of a whistleblower who complains, in good faith,
29 to the department of health about the improper quality of care
30 provided by a plan, as defined in RCW 43.72.010, shall remain
31 confidential. The identity of the whistleblower shall remain
32 confidential unless the commission determines that the complaint was
33 not made in good faith. An employee who is a whistleblower, as defined
34 in this section, and who as a result of being a whistleblower has been
35 subjected to workplace reprisal or retaliatory action has the remedies
36 provided under chapter 49.60 RCW.

1 (2)(a) "Quality of care" means any practice, procedure, action, or
2 failure to act that is determined by the applicable state health
3 licensing authority under Title 18 RCW to violate accepted standards of
4 practice.

5 (b) "Reprisal or retaliatory action" means but is not limited to:
6 Denial of adequate staff to perform duties; frequent staff changes;
7 frequent and undesirable office changes; refusal to assign meaningful
8 work; unwarranted and unsubstantiated letters of reprimand or
9 unsatisfactory performance evaluations; demotion; reduction in pay;
10 denial of promotion; suspension; dismissal; denial of employment; and
11 a supervisor or superior encouraging coworkers to behave in a hostile
12 manner toward the whistleblower.

13 (c) "Whistleblower" means a consumer, employee, or health care
14 professional who in good faith reports alleged quality of care concerns
15 to the health services commission.

16 (3) Nothing in this section prohibits a plan from making any
17 decision exercising its authority to terminate, suspend, or discipline
18 an employee who engages in workplace reprisal or retaliatory action
19 against a whistleblower.

20 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.70 RCW
21 to read as follows:

22 (1) The identity of a whistleblower who complains, in good faith,
23 to the department of health about the improper quality of care in a
24 health care facility, as defined in RCW 43.72.010, shall remain
25 confidential. The identity of the whistleblower shall remain
26 confidential unless the commission determines that the complaint was
27 not made in good faith. An employee who is a whistleblower, as defined
28 in this section, and who as a result of being a whistleblower has been
29 subjected to workplace reprisal or retaliatory action has the remedies
30 provided under chapter 49.60 RCW.

31 (2)(a) "Quality of care" means any practice, procedure, action, or
32 failure to act that is determined by the applicable state health
33 licensing authority under Title 18 RCW to violate accepted standards of
34 practice.

35 (b) "Reprisal or retaliatory action" means but is not limited to:
36 Denial of adequate staff to perform duties; frequent staff changes;
37 frequent and undesirable office changes; refusal to assign meaningful
38 work; unwarranted and unsubstantiated letters of reprimand or

1 unsatisfactory performance evaluations; demotion; reduction in pay;
2 denial of promotion; suspension; dismissal; denial of employment; and
3 a supervisor or superior encouraging coworkers to behave in a hostile
4 manner toward the whistleblower.

5 (c) "Whistleblower" means a consumer, employee, or health care
6 professional who in good faith reports alleged quality of care concerns
7 to the health services commission.

8 (3) Nothing in this section prohibits a health care facility from
9 making any decision exercising its authority to terminate, suspend, or
10 discipline an employee who engages in workplace reprisal or retaliatory
11 action against a whistleblower.

12 NEW SECTION. **Sec. 7.** To ensure that individuals understand their
13 health care options and are able to make informed decisions among them,
14 all certified health plans must provide enrollees and potential
15 enrollees with written disclosure of coverage and benefits, including
16 coverage principles and any exclusions or restrictions on coverage, and
17 make available upon request information on evaluation and treatment
18 policies for specific conditions. Such information must be current,
19 easily understandable, and easily available prior to enrollment and
20 upon request thereafter.

21 NEW SECTION. **Sec. 8.** A new section is added to chapter 48.43 RCW
22 to read as follows:

23 All health care facilities, certified health plans, and providers
24 must disclose the training, qualifications, staff ratios, and backup
25 arrangements of the various health care professionals working at the
26 facility, for the plan, or for the provider. This section does not
27 require a certified health plan, a health care facility, or health
28 provider to adhere to any particular standard that may not be otherwise
29 required by law. However, the department of health shall set in rule
30 procedures and standards by which certified health plans, facilities,
31 and providers must disclose information enumerated in this section.
32 These rules may prescribe the forms and posting requirements for such
33 information.

34 NEW SECTION. **Sec. 9.** A new section is added to chapter 48.43 RCW
35 to read as follows:

1 Certified health plans shall conduct annual patient satisfaction
2 surveys in a form set in rule by the department of health and provide
3 the survey results to their enrollees.

4 NEW SECTION. Sec. 10. A new section is added to chapter 43.72 RCW
5 to read as follows:

6 The legislature recognizes that every individual possesses a
7 fundamental right to exercise their religious beliefs and conscience.
8 The legislature further recognizes that in developing public policy,
9 conflicting religious and moral beliefs must be respected. Therefore,
10 while recognizing the right of conscientious objection to participating
11 in specific health services, the state shall also recognize the right
12 of individuals enrolled with a certified health plan to receive the
13 full range of services covered under the minimum list of health
14 services.

15 NEW SECTION. Sec. 11. A new section is added to chapter 43.72 RCW
16 to read as follows:

17 (1) No individual health care provider, religiously sponsored
18 certified health plan, or religiously sponsored health care facility
19 may be required by law or contract in any circumstances to directly
20 participate in the provision of or payment for a specific service in
21 this minimum list of health services if they object to so doing for
22 reason of conscience or religion. No person may be discriminated
23 against in employment or professional privileges because of such
24 objection.

25 (2) The provisions of this section are not intended to result in an
26 enrollee being denied timely access to any service included in the
27 minimum list of health services. Each certified health plan shall:

28 (a) Provide written notice to enrollees, upon enrollment with the
29 plan and upon enrollee request thereafter, listing, by provider,
30 services that any provider refuses to perform for reason of conscience
31 or religion;

32 (b) Develop written information describing how an enrollee may
33 directly access, in an expeditious manner, services that the provider
34 refuses to perform; and

35 (c) Ensure that enrollees refused services under this section have
36 prompt access to the information developed pursuant to (b) of this
37 subsection.

1 (3) The health care authority shall adopt rules to implement this
2 section and establish a mechanism to ensure enrollees timely access to
3 the minimum list of health services and to assure prompt payment to
4 service providers.

5 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.72 RCW
6 to read as follows:

7 (1) No individual or organization with a religious or moral tenet
8 opposed to a specific service on the minimum list of health services
9 may be required to purchase coverage for that service or services if
10 the individual or organization objects to doing so for reason of
11 conscience or religion.

12 (2) The provisions of this section shall not result in an enrollee
13 being denied coverage of, and timely access to, any service or services
14 excluded from their benefits package as a result of their employer's or
15 another individual's exercise of the conscience clause outlined in
16 subsection (1) of this section.

17 (3) The health care authority shall define the process through
18 which certified health plans may offer the minimum list of health
19 services to individuals and organizations identified in subsections (1)
20 and (2) of this section in accordance to the provisions of section
21 11(3) of this act.

22 **PART II**

23 **GUARANTEE OF INSURANCE REFORMS**

24 NEW SECTION. **Sec. 13.** The legislature intends through the
25 enactment of Part II of this act to eliminate preexisting condition
26 exclusions in insurance, prevent cancellation of insurance because of
27 sickness, and allow people to change jobs without losing their health
28 care coverage. The legislature will achieve this by: Requiring
29 insurers to renew policies as long as the premiums are duly paid;
30 prohibiting insurers from denying a person insurance coverage because
31 of a preexisting condition; and allowing the insurance commissioner to
32 assess penalties for breaches of these provisions of law.

33 **Sec. 14.** RCW 48.30.010 and 1985 c 264 s 13 are each amended to
34 read as follows:

1 (1) No person engaged in the business of insurance shall engage in
2 unfair methods of competition or in unfair or deceptive acts or
3 practices in the conduct of such business as such methods, acts, or
4 practices are defined pursuant to subsection (2) of this section.

5 (2) In addition to such unfair methods and unfair or deceptive acts
6 or practices as are expressly defined and prohibited by this code, the
7 commissioner may from time to time by regulation promulgated pursuant
8 to chapter 34.05 RCW, define other methods of competition and other
9 acts and practices in the conduct of such business reasonably found by
10 the commissioner to be unfair or deceptive, which shall include any act
11 or practice that has the effect of changing access to appropriate and
12 effective health services in a manner proscribed by the laws and rules
13 of the state of Washington.

14 (3) No such regulation shall be made effective prior to the
15 expiration of thirty days after the date of the order by which it is
16 promulgated.

17 (4) If the commissioner has cause to believe that any person is
18 violating any such regulation, the commissioner may order such person
19 to cease and desist therefrom. The commissioner shall deliver such
20 order to such person direct or mail it to the person by registered mail
21 with return receipt requested. If the person violates the order after
22 expiration of ten days after the cease and desist order has been
23 received by him or her, he or she may be fined by the commissioner a
24 sum not to exceed two hundred and fifty dollars for each violation
25 committed thereafter.

26 (5) If any such regulation is violated, the commissioner may take
27 such other or additional action as is permitted under the insurance
28 code for violation of a regulation.

29 **PART III**

30 **LIMITATION OF GOVERNMENT'S ROLE IN THE HEALTH CARE SYSTEM**

31 NEW SECTION. **Sec. 15.** The legislature intends to minimize the
32 role of government in the state health care system. The legislature
33 intends to achieve this by: Reducing the health services commission to
34 three members and making the commission a purely advisory body; and
35 eliminating unnecessary regulations related to certified health plans.

1 NEW SECTION. **Sec. 16.** Effective July 1, 1995, the powers and
2 duties of the Washington health services commission are transferred as
3 follows:

4 (1) To the office of the insurance commissioner: Powers and duties
5 enumerated in RCW 43.72.040 (6)(a), (7), (12), and (21), 43.72.010(4),
6 43.72.160, 43.72.170, 43.72.310, and 48.43.170 as they exist in statute
7 on January 1, 1995;

8 (2) To the state department of health: Powers and duties
9 enumerated in RCW 43.72.040 (2), (4), (8) through (11), (14) through
10 (20), (23), (28), and (30), 18.130.320, 70.170.100, and 70.170.120 as
11 they exist in statute on January 1, 1995;

12 All other commission powers and duties not specifically assigned by
13 chapter . . ., Laws of 1995 (this act) shall be terminated July 1,
14 1995.

15 NEW SECTION. **Sec. 17.** A new section is added to chapter 43.72 RCW
16 to read as follows:

17 (1) Concurrent with the transfer set forth in section 16 of this
18 act, the Washington health services commission shall be renamed the
19 Washington health services advisory committee and reduced to three
20 members to be appointed by the governor and confirmed by the senate,
21 and shall have the following powers and duties:

22 (a) Oversee the implementation of chapter . . ., Laws of 1995 (this
23 act) and related chapters of the Revised Code of Washington;

24 (b) Periodically make recommendations to the appropriate committees
25 of the legislature and the governor regarding the minimum list of
26 health services;

27 (c) Review and report on the use of medical savings accounts,
28 including their impact on health of participants, and the cost of
29 health insurance and cost shifting to, or from, other state residents
30 who purchase insurance;

31 (d) Conduct a study to identify the number of children with special
32 health care needs and the cost of providing their health care.
33 Children with special health care needs may include children who have
34 multiple diagnoses including birth defects, congenital heart defects,
35 cancer, kidney disease, respiratory, metabolic and neurological
36 problems, diabetes, sickle cell disease, HIV infection, rheumatological
37 disorders, and posttraumatic injuries, any of which may require care
38 for longer than a year. The commission shall make recommendations on

1 an optimal system for managing health care services to children with
2 special needs and report back to the legislature on their findings by
3 January 1 1996.

4 (e) Administer oaths, issue subpoenas, and compel the attendance of
5 witnesses and the production of materials relevant to the committee's
6 duties; and

7 (f) Review rules prepared by the insurance commissioner, health
8 care authority, and department of health where appropriate to ensure
9 consistency with the policies of this act.

10 (2) In January 1998 the legislative budget committee shall commence
11 a study of the necessity of the existence of the committee and report
12 its recommendation to the appropriate committees of the legislature by
13 December 1, 1998.

14 NEW SECTION. **Sec. 18.** A new section is added to chapter 43.72 RCW
15 to read as follows:

16 The legislature does not approve the health services commission's
17 proposed uniform benefits package, nor does it approve the proposed
18 medical risk adjustment mechanism under RCW 43.72.040(7) and
19 indefinitely suspends the application of medical risk adjustment
20 mechanisms, and the application of the uniform benefits package
21 description contained in RCW 43.72.130.

22 NEW SECTION. **Sec. 19.** The following acts or parts of acts are
23 each repealed:

- 24 (1) RCW 48.43.020 and 1993 c 492 s 433;
25 (2) RCW 48.43.030 and 1993 c 492 s 434;
26 (3) RCW 48.43.040 and 1993 c 492 s 435;
27 (4) RCW 48.43.050 and 1993 c 492 s 436;
28 (5) RCW 48.43.060 and 1993 c 492 s 437;
29 (6) RCW 48.43.070 and 1993 c 492 s 438;
30 (7) RCW 48.43.080 and 1993 c 492 s 439;
31 (8) RCW 48.43.090 and 1993 c 492 s 440;
32 (9) RCW 48.43.100 and 1993 c 492 s 441;
33 (10) RCW 48.43.110 and 1993 c 492 s 442;
34 (11) RCW 48.43.120 and 1993 c 492 s 443;
35 (12) RCW 48.43.130 and 1993 c 492 s 444; and
36 (13) RCW 48.43.150 and 1993 c 492 s 446.

PART IV

AFFORDABLE INSURANCE

1
2
3 NEW SECTION. **Sec. 20.** The legislature intends to protect
4 individual's, family's, and businesses' ability to maintain their
5 health insurance and to allow those presently uninsured to purchase
6 health insurance by making health insurance more affordable. The
7 legislature will achieve this by allowing insurers to give limited
8 discounts based on age and healthy lifestyle factors; allowing greater
9 flexibility in the use of deductibles and coinsurance; by preventing
10 self-insured companies from initially profiting from a healthier and
11 less costly employee insurance pool and later cost-shifting if their
12 employee insurance pool becomes less healthy and more costly;
13 prohibiting insurers from cost-shifting from big business to small
14 business and individuals in the sale of supplemental benefits; and
15 permitting cooperative health care purchasing groups.

16 NEW SECTION. **Sec. 21.** In addition to the adjustments permitted to
17 establish the "community rate" under RCW 43.72.010, certified health
18 plans shall also be permitted to make adjustments to reflect
19 actuarially demonstrated differences in utilization or cost attributed
20 to age and wellness factors provided:

21 (1) Adjustments to the rates for a health plan permitted for age
22 shall not result in a rate per enrollee of more than three hundred
23 percent of the lowest rate for any enrollee in 1996, and two hundred
24 percent thereafter. Such age adjustments shall not use age brackets
25 smaller than five-year increments, and shall begin with age thirty and
26 end with age sixty-five;

27 (2) Adjustments to the rates for a health plan permitted for
28 wellness programs shall be limited to plus or minus ten percent;

29 (3) The premium charged for a health plan may not be adjusted more
30 frequently than annually except for rate decreases, except that rates
31 may be changed to reflect enrollment changes, changes in family
32 composition of the enrollee, or benefit changes to the health plan
33 requested by the employer or enrollee;

34 (4) Adjustment to the rates are permitted for coverage of one
35 child; and

36 (5) A wellness program is an explicit program of activity
37 consistent with department of health guidelines, such as smoking

1 cessation, injury and accident prevention, reduction of alcohol or
2 other drug misuse, appropriate weight reduction, exercise, automobile
3 and motorcycle safety, blood cholesterol reduction, and nutrition
4 education for the purpose of improving enrollee health status and
5 reducing health service costs.

6 NEW SECTION. **Sec. 22.** A new section is added to chapter 43.72 RCW
7 to read as follows:

8 The following definition applies throughout this chapter and
9 elsewhere in statute as indicated:

10 "Minimum list of health services," "minimum health services list,"
11 or "minimum health services" means those health services, required to
12 be delivered by the basic health plan on and after the effective date
13 of this act. References to "uniform benefits package" after the
14 effective date of this act, throughout the Revised Code of Washington
15 shall be construed to mean "minimum list of health services."

16 NEW SECTION. **Sec. 23.** A new section is added to chapter 70.47 RCW
17 to read as follows:

18 The administrator's duties under this section shall be construed to
19 supersede and be more specific than conflicting provisions of this
20 chapter.

21 The administrator shall administer a schedule of covered health
22 services entitled the basic health plan, which shall be the physician
23 services, inpatient and outpatient hospital services, and prescription
24 drugs and medications that were covered by the basic health plan as of
25 July 1, 1994, with the following additional services: Services of
26 licensed midwives, limited chiropractic care, limited chemical
27 dependency services, limited mental health services, and limited
28 physical therapy. After the administrator has made the modifications
29 to the basic health plan that are necessary to include these services,
30 the basic health plan may not be further modified except by an act of
31 law.

32 NEW SECTION. **Sec. 24.** Certified health plans shall not be
33 required to sell at the "community rate" to any individual who is
34 employed by a self-insured company, or to any company who was self-
35 insured prior to December 31, 1995.

1 NEW SECTION. **Sec. 25.** Point of service cost sharing shall include
2 deductibles, copayments, or coinsurance in accordance with the
3 provisions of chapter 245-03 WAC.

4 NEW SECTION. **Sec. 26.** Each certified health plan will offer the
5 minimum list of health services with at least two of the following set
6 of deductible options, revised annually to account for inflation using
7 the consumer price index and rounded to the nearest whole dollar:

8 (1) Zero deductible;

9 (2) Two hundred fifty dollars deductible for individuals, seven
10 hundred fifty dollars deductible for families;

11 (3) Five hundred dollars deductible for individuals, one thousand
12 dollars deductible for families;

13 (4) One thousand dollars deductible for individuals, two thousand
14 dollars deductible for families.

15 NEW SECTION. **Sec. 27.** A new section is added to chapter 48.43 RCW
16 to read as follows:

17 Any group of individuals may form a cooperative health care
18 purchasing group. In addition to and separate from the authority of
19 health insurance purchasing cooperatives:

20 (1) Every cooperative health care purchasing group shall:

21 (a) Admit all individuals, employers, or other groups wishing to
22 participate that meet individual purchasing group requirements;

23 (b) Be operated as a member-governed and owned, nonprofit
24 organization in which no certified health plan, independent practice
25 association, independent physician organization, or any individual with
26 a pecuniary interest in any such organization, shall have any pecuniary
27 interest in or management control of the organization;

28 (c) Be authorized to provide for enrollment and premium collection
29 and distribution among certified health plans; and

30 (d) Serve as an ombudsman for its members to resolve inquiries,
31 complaints, or other concerns with certified health plans.

32 (2) No purchasing group may bear any financial risk for the
33 delivery of services within the minimum list of health services, or for
34 any other insurance or health services program.

35 (3) Every purchasing group shall offer members the minimum list of
36 health services as the minimum available health plan. The purchasing
37 group may negotiate with certified health plans the premium to be paid

1 by members for the minimum list of health services, but the rate must
2 be filed and approved by the commissioner.

3 (4) When more than one plan's minimum list of health services
4 package is offered by the purchasing group, every purchasing group may
5 assist members in selecting health plans and for this purpose may
6 devise a rating system or similar system to judge the quality and cost-
7 effectiveness of competing plans. Each purchasing group and directors,
8 officers, and other employees of the group are immune from liability in
9 any civil action or suit arising from the publication of any report,
10 brochure, or guide, or dissemination of information related to the
11 services, quality, price, or cost-effectiveness of certified health
12 plans unless actual malice, fraud, or bad faith is shown. Such
13 immunity is in addition to any common law or statutory privilege or
14 immunity enjoyed by such person, and nothing in this section is
15 intended to abrogate or modify in any way such common law or statutory
16 privilege or immunity.

17 (5) The commissioner may adopt rules necessary for the
18 implementation of this section.

19 (6) The commissioner may recommend to interested parties ways in
20 which purchasing groups can develop, encourage, and provide incentives
21 for employee wellness programs.

22 PART V

23 UNIVERSAL ACCESS THROUGH INCENTIVES

24 NEW SECTION. **Sec. 28.** The legislature maintains the fundamental
25 goal that all Washingtonians should have access to health insurance and
26 intends to achieve universal access through incentives rather than an
27 employer mandate. The legislature intends to do this by: Expanding
28 the existing basic health plan to two hundred thousand enrollees;
29 expanding the availability of medicaid to an additional one hundred
30 twenty-five thousand children; giving preference in state government
31 contracts to employers who provide health insurance to their employees;
32 allowing employers to sign up for basic health plan health insurance
33 through their periodic filings with the department of labor and
34 industries; fully integrating worker's compensation medical benefits
35 into a consolidated state health care system once the uninsured
36 population is less than four percent; and eliminating the employer
37 mandate.

1 NEW SECTION. **Sec. 29.** The sum of dollars, or as much
2 thereof as may be necessary, is appropriated for the biennium ending
3 June 30, 1997, from the health services account to the basic health
4 plan to expand basic health plan enrollment to a total of at least two
5 hundred thousand individuals, including at least one hundred thousand
6 employer sponsored individuals.

7 NEW SECTION. **Sec. 30.** In addition to other moneys appropriated to
8 the department of social and health services for medical assistance,
9 the sum of dollars, or as much thereof as may be necessary,
10 is appropriated for the biennium ending June 30, 1997, from the health
11 services account to the department of social and health services, to
12 serve an additional one hundred twenty-five thousand children.

13 NEW SECTION. **Sec. 31.** The health care authority, the office of
14 financial management, and the state treasurer shall together monitor
15 the enrollee level in the basic health plan and medicaid and adjust the
16 funding levels by transfers of funds between the basic health plan
17 subscription accounts and the medicaid dollars appropriated in sections
18 29 and 30 of this act to maximize enrollment.

19 NEW SECTION. **Sec. 32.** A new section is added to chapter 43.19 RCW
20 to read as follows:

21 Any person, firm, or organization that makes any bid to provide any
22 goods or any services to any state agency shall be granted a preference
23 over other bidders if the vendor provides the minimum list of health
24 services as defined in chapter 43.72 RCW to ninety-five percent of
25 their employees. The preference provided under this section shall be
26 equal to ten percent of the total bid amount. For purposes of this
27 section employees of under three months are not included in the
28 computation.

29 NEW SECTION. **Sec. 33.** A new section is added to Title 51 RCW to
30 read as follows:

31 The department of labor and industries and the health care
32 authority shall develop an easy employer payment method for the basic
33 health plan under which an employer can make his or her basic health
34 plan payment on the same forms and in the same check he or she uses to
35 make workers' compensation payments.

1 NEW SECTION. **Sec. 34.** Insurance brokers, agents, and solicitors
2 shall be entitled to sell the basic health plan and shall receive from
3 the health care authority a three percent commission for each
4 individual sale of the basic health plan to anyone not previously
5 signed up and a one percent commission for each group sale of the basic
6 health plan. No commission shall be provided upon a renewal.
7 Commissions shall be determined based on the estimated annual cost of
8 the basic health plan. The health care authority shall use moneys in
9 the basic health plan trust account for this purpose.

10 NEW SECTION. **Sec. 35.** The legislature finds that assuring
11 adequate access to quality health services in rural and medically
12 underserved areas requires special efforts to recruit and train health
13 service providers and the development of health care systems in these
14 areas. The state department of health has provided valuable
15 coordination and technical assistance in these efforts through its
16 office of rural health. The University of Washington's rural and
17 underserved opportunities program and its community health systems
18 development program have voluntarily initiated various creative
19 efforts, which have made solid progress in meeting these essential
20 state needs, despite the lack of explicit financial support from state
21 government for these purposes. The legislature recognizes that
22 increased price competition in health services delivery may jeopardize
23 the University of Washington's laudatory efforts in these areas, and in
24 other teaching and research endeavors that are critical to promoting
25 universal access to quality health services. Therefore, the department
26 of health is authorized to ensure the continuation of these efforts as
27 well as their coordination in the context of overall health systems
28 development, within funds specially appropriated for this purpose.

29 There is appropriated to the department of health from the health
30 services account, the amount of five hundred thousand dollars for the
31 1995-1997 biennium to contract with the University of Washington to
32 support community health systems development services and rural and
33 underserved health provider opportunities in communities targeted by
34 the department of health in consultation with selected local health
35 jurisdictions and hospital districts in rural and medically underserved
36 areas. This contract may contain no more than a ten percent indirect
37 cost, overhead, or administrative allocation to the University of

1 Washington. No less than fifty percent of the funds provided in this
2 section must support expanded efforts in these areas.

3 NEW SECTION. **Sec. 36.** The following acts or parts of acts are
4 each repealed:

5 (1) RCW 43.72.220 and 1993 c 494 s 3 & 1993 c 492 s 464;

6 (2) RCW 43.72.240 and 1993 c 494 s 4 & 1993 c 492 s 466;

7 (3) RCW 43.72.810 and 1993 c 492 s 474;

8 (4) RCW 43.72.210 and 1993 c 492 s 463; and

9 (5) RCW 43.72.120 and 1993 c 492 s 430.

10 NEW SECTION. **Sec. 37.** Section 4 of this act shall constitute a
11 new chapter in Title 48 RCW.

12 NEW SECTION. **Sec. 38.** Part headings as used in this act
13 constitute no part of the law.

14 NEW SECTION. **Sec. 39.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and shall take
17 effect July 1, 1995.

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