
HOUSE BILL 1805

State of Washington

55th Legislature

1997 Regular Session

By Representatives Backlund, Dyer, L. Thomas, Sump, Crouse, Smith, Sherstad, Zellinsky, Talcott, Lambert, Bush, Mulliken, Thompson, Johnson, Buck, Skinner, Boldt, D. Schmidt, Sterk, Clements, Hickel, Koster, Cooke, Mastin and Carrell

Read first time 02/10/97. Referred to Committee on Health Care.

1 AN ACT Relating to health care savings accounts under the basic
2 health plan; and amending RCW 48.68.005.

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

4 **Sec. 1.** RCW 48.68.005 and 1995 c 265 s 2 are each amended to read
5 as follows:

6 (1) This chapter shall be known as the health care savings account
7 act.

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

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

1 care, health care savings accounts may promote savings for long-term
2 care and provide incentives for individuals to protect themselves from
3 financial hardship due to a long-term health care need.

4 (3) Health care savings accounts are authorized in Washington state
5 as options to employers and residents.

6 (4) The Washington state health care authority, created pursuant to
7 chapter 41.05 RCW, shall establish, by rule, a health care savings
8 account pilot project for a three-year period to be offered to
9 unsubsidized enrollees in the basic health plan as authorized by
10 chapter 70.47 RCW. The scope of the program services must be the same
11 as that offered to unsubsidized basic health plan enrollees who are not
12 participating in the program. Requirements on eligibility, enrollee
13 financial participation, and account management and use may be similar
14 to the provisions of the federal medical savings account program of the
15 federal health insurance portability and accountability act of 1996
16 (Part C, Title III, section 301), as amended. The authority shall
17 contract with an actuarial firm to develop the program for an amount no
18 greater than thirty-five thousand dollars. The firm must have
19 extensive knowledge of the operations of health care savings accounts
20 coverage and must have performed actuarial analyses for, at least, one
21 hundred million dollars of health care savings account coverage and
22 programs. The authority shall adopt rules, no later than November 1,
23 1997, and shall offer the program as soon as possible after adoption of
24 the rules. The authority shall conduct an evaluation on the program's
25 effectiveness and shall report its finding to the appropriate
26 committees of the legislature by July 1, 2001. The full cost of the
27 program, including administration, marketing, and evaluation, is to be
28 incurred by enrollee premiums and no additional cost is to be incurred
29 by the state. The office of the insurance commissioner may not adopt
30 rules regarding this subsection.

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