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HOUSE BILL 2187

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Dyer, Cody, Backlund, Conway, Skinner, Murray, Hatfield, Cooke, Blalock and Costa

Read first time 02/25/97. Referred to Committee on Health Care.

1 AN ACT Relating to rehabilitation services; and reenacting and  
2 amending RCW 70.47.060.

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

4 **Sec. 1.** RCW 70.47.060 and 1995 c 266 s 1 and 1995 c 2 s 4 are each  
5 reenacted and amended to read as follows:

6 The administrator has the following powers and duties:

7 (1) To design and from time to time revise a schedule of covered  
8 basic health care services, including physician services, inpatient and  
9 outpatient hospital services, prescription drugs and medications, and  
10 other services that may be necessary for basic health care. In  
11 addition, the administrator may offer as basic health plan services  
12 chemical dependency services, mental health services and ((organ  
13 transplant)) rehabilitation services; however, no one service or any  
14 combination of these three services shall increase the actuarial value  
15 of the basic health plan benefits by more than five percent excluding  
16 inflation, as determined by the office of financial management, and  
17 rehabilitation services shall not exceed the actuarial value of organ  
18 transplant services as offered in the basic health plan January 1,  
19 1997, excluding inflation, as determined by the office of financial

1 management. All subsidized and nonsubsidized enrollees in any  
2 participating managed health care system under the Washington basic  
3 health plan shall be entitled to receive (~~{covered basic health care~~  
4 ~~services}~~) covered basic health care services in return for premium  
5 payments to the plan. The schedule of services shall emphasize proven  
6 preventive and primary health care and shall include all services  
7 necessary for prenatal, postnatal, and well-child care. However, with  
8 respect to coverage for groups of subsidized enrollees who are eligible  
9 to receive prenatal and postnatal services through the medical  
10 assistance program under chapter 74.09 RCW, the administrator shall not  
11 contract for such services except to the extent that such services are  
12 necessary over not more than a one-month period in order to maintain  
13 continuity of care after diagnosis of pregnancy by the managed care  
14 provider. The schedule of services shall also include a separate  
15 schedule of basic health care services for children, eighteen years of  
16 age and younger, for those subsidized or nonsubsidized enrollees who  
17 choose to secure basic coverage through the plan only for their  
18 dependent children. In designing and revising the schedule of  
19 services, the administrator shall consider the guidelines for assessing  
20 health services under the mandated benefits act of 1984, RCW 48.42.080,  
21 and such other factors as the administrator deems appropriate.

22 However, with respect to coverage for subsidized enrollees who are  
23 eligible to receive prenatal and postnatal services through the medical  
24 assistance program under chapter 74.09 RCW, the administrator shall not  
25 contract for such services except to the extent that the services are  
26 necessary over not more than a one-month period in order to maintain  
27 continuity of care after diagnosis of pregnancy by the managed care  
28 provider.

29 (2)(a) To design and implement a structure of periodic premiums due  
30 the administrator from subsidized enrollees that is based upon gross  
31 family income, giving appropriate consideration to family size and the  
32 ages of all family members. The enrollment of children shall not  
33 require the enrollment of their parent or parents who are eligible for  
34 the plan. The structure of periodic premiums shall be applied to  
35 subsidized enrollees entering the plan as individuals pursuant to  
36 subsection (9) of this section and to the share of the cost of the plan  
37 due from subsidized enrollees entering the plan as employees pursuant  
38 to subsection (10) of this section.

1 (b) To determine the periodic premiums due the administrator from  
2 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees  
3 shall be in an amount equal to the cost charged by the managed health  
4 care system provider to the state for the plan plus the administrative  
5 cost of providing the plan to those enrollees and the premium tax under  
6 RCW 48.14.0201.

7 (c) An employer or other financial sponsor may, with the prior  
8 approval of the administrator, pay the premium, rate, or any other  
9 amount on behalf of a subsidized or nonsubsidized enrollee, by  
10 arrangement with the enrollee and through a mechanism acceptable to the  
11 administrator, but in no case shall the payment made on behalf of the  
12 enrollee exceed the total premiums due from the enrollee.

13 (d) To develop, as an offering by all health carriers providing  
14 coverage identical to the basic health plan, a model plan benefits  
15 package with uniformity in enrollee cost-sharing requirements.

16 (3) To design and implement a structure of enrollee cost sharing  
17 due a managed health care system from subsidized and nonsubsidized  
18 enrollees. The structure shall discourage inappropriate enrollee  
19 utilization of health care services, and may utilize copayments,  
20 deductibles, and other cost-sharing mechanisms, but shall not be so  
21 costly to enrollees as to constitute a barrier to appropriate  
22 utilization of necessary health care services.

23 (4) To limit enrollment of persons who qualify for subsidies so as  
24 to prevent an overexpenditure of appropriations for such purposes.  
25 Whenever the administrator finds that there is danger of such an  
26 overexpenditure, the administrator shall close enrollment until the  
27 administrator finds the danger no longer exists.

28 (5) To limit the payment of subsidies to subsidized enrollees, as  
29 defined in RCW 70.47.020. The level of subsidy provided to persons who  
30 qualify may be based on the lowest cost plans, as defined by the  
31 administrator.

32 (6) To adopt a schedule for the orderly development of the delivery  
33 of services and availability of the plan to residents of the state,  
34 subject to the limitations contained in RCW 70.47.080 or any act  
35 appropriating funds for the plan.

36 (7) To solicit and accept applications from managed health care  
37 systems, as defined in this chapter, for inclusion as eligible basic  
38 health care providers under the plan. The administrator shall endeavor  
39 to assure that covered basic health care services are available to any

1 enrollee of the plan from among a selection of two or more  
2 participating managed health care systems. In adopting any rules or  
3 procedures applicable to managed health care systems and in its  
4 dealings with such systems, the administrator shall consider and make  
5 suitable allowance for the need for health care services and the  
6 differences in local availability of health care resources, along with  
7 other resources, within and among the several areas of the state.  
8 Contracts with participating managed health care systems shall ensure  
9 that basic health plan enrollees who become eligible for medical  
10 assistance may, at their option, continue to receive services from  
11 their existing providers within the managed health care system if such  
12 providers have entered into provider agreements with the department of  
13 social and health services.

14 (8) To receive periodic premiums from or on behalf of subsidized  
15 and nonsubsidized enrollees, deposit them in the basic health plan  
16 operating account, keep records of enrollee status, and authorize  
17 periodic payments to managed health care systems on the basis of the  
18 number of enrollees participating in the respective managed health care  
19 systems.

20 (9) To accept applications from individuals residing in areas  
21 served by the plan, on behalf of themselves and their spouses and  
22 dependent children, for enrollment in the Washington basic health plan  
23 as subsidized or nonsubsidized enrollees, to establish appropriate  
24 minimum-enrollment periods for enrollees as may be necessary, and to  
25 determine, upon application and on a reasonable schedule defined by the  
26 authority, or at the request of any enrollee, eligibility due to  
27 current gross family income for sliding scale premiums. No subsidy  
28 may be paid with respect to any enrollee whose current gross family  
29 income exceeds twice the federal poverty level or, subject to RCW  
30 70.47.110, who is a recipient of medical assistance or medical care  
31 services under chapter 74.09 RCW. If, as a result of an eligibility  
32 review, the administrator determines that a subsidized enrollee's  
33 income exceeds twice the federal poverty level and that the enrollee  
34 knowingly failed to inform the plan of such increase in income, the  
35 administrator may bill the enrollee for the subsidy paid on the  
36 enrollee's behalf during the period of time that the enrollee's income  
37 exceeded twice the federal poverty level. If a number of enrollees  
38 drop their enrollment for no apparent good cause, the administrator may

1 establish appropriate rules or requirements that are applicable to such  
2 individuals before they will be allowed to reenroll in the plan.

3 (10) To accept applications from business owners on behalf of  
4 themselves and their employees, spouses, and dependent children, as  
5 subsidized or nonsubsidized enrollees, who reside in an area served by  
6 the plan. The administrator may require all or the substantial  
7 majority of the eligible employees of such businesses to enroll in the  
8 plan and establish those procedures necessary to facilitate the orderly  
9 enrollment of groups in the plan and into a managed health care system.  
10 The administrator may require that a business owner pay at least an  
11 amount equal to what the employee pays after the state pays its portion  
12 of the subsidized premium cost of the plan on behalf of each employee  
13 enrolled in the plan. Enrollment is limited to those not eligible for  
14 medicare who wish to enroll in the plan and choose to obtain the basic  
15 health care coverage and services from a managed care system  
16 participating in the plan. The administrator shall adjust the amount  
17 determined to be due on behalf of or from all such enrollees whenever  
18 the amount negotiated by the administrator with the participating  
19 managed health care system or systems is modified or the administrative  
20 cost of providing the plan to such enrollees changes.

21 (11) To determine the rate to be paid to each participating managed  
22 health care system in return for the provision of covered basic health  
23 care services to enrollees in the system. Although the schedule of  
24 covered basic health care services will be the same for similar  
25 enrollees, the rates negotiated with participating managed health care  
26 systems may vary among the systems. In negotiating rates with  
27 participating systems, the administrator shall consider the  
28 characteristics of the populations served by the respective systems,  
29 economic circumstances of the local area, the need to conserve the  
30 resources of the basic health plan trust account, and other factors the  
31 administrator finds relevant.

32 (12) To monitor the provision of covered services to enrollees by  
33 participating managed health care systems in order to assure enrollee  
34 access to good quality basic health care, to require periodic data  
35 reports concerning the utilization of health care services rendered to  
36 enrollees in order to provide adequate information for evaluation, and  
37 to inspect the books and records of participating managed health care  
38 systems to assure compliance with the purposes of this chapter. In  
39 requiring reports from participating managed health care systems,

1 including data on services rendered enrollees, the administrator shall  
2 endeavor to minimize costs, both to the managed health care systems and  
3 to the plan. The administrator shall coordinate any such reporting  
4 requirements with other state agencies, such as the insurance  
5 commissioner and the department of health, to minimize duplication of  
6 effort.

7 (13) To evaluate the effects this chapter has on private employer-  
8 based health care coverage and to take appropriate measures consistent  
9 with state and federal statutes that will discourage the reduction of  
10 such coverage in the state.

11 (14) To develop a program of proven preventive health measures and  
12 to integrate it into the plan wherever possible and consistent with  
13 this chapter.

14 (15) To provide, consistent with available funding, assistance for  
15 rural residents, underserved populations, and persons of color.

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