

2 **SSB 6067** - S AMD - 483

3 By Senators Costa, Fairley, Kohl-Welles, Franklin, Eide and
4 Kline

5 NOT ADOPTED 4/24/99

6 Strike everything after the enacting clause and insert the
7 following:

8 **"Sec. 1.** RCW 48.41.100 and 1995 c 34 s 5 are each amended to read
9 as follows: (1) Any individual person who is a resident of this
10 state is eligible for coverage (~~upon providing evidence of rejection~~
11 ~~for medical reasons, a requirement of restrictive riders, an up-rated~~
12 ~~premium, or a preexisting conditions limitation on health insurance,~~
13 ~~the effect of which is to substantially reduce coverage from that~~
14 ~~received by a person considered a standard risk, by at least one member~~
15 ~~within six months of the date of application. Evidence of rejection~~
16 ~~may be waived in accordance with rules adopted by the board)) if a
17 substantially equivalent individual health benefit plan at a rate less
18 than or equal to that rate charged by the pool under RCW 48.21.200 is
19 unavailable in the county where he or she resides.~~

20 (2) The following persons are not eligible for coverage by the
21 pool:

22 (a) Any person having terminated coverage in the pool unless (i)
23 twelve months have lapsed since termination, or (ii) that person can
24 show continuous other coverage which has been involuntarily terminated
25 for any reason other than nonpayment of premiums;

26 (b) Any person on whose behalf the pool has paid out five hundred
27 thousand dollars in benefits;

28 (c) Inmates of public institutions and persons whose benefits are
29 duplicated under public programs.

30 (3) Any person whose health insurance coverage is involuntarily
31 terminated for any reason other than nonpayment of premium may apply
32 for coverage under the plan.

33 **Sec. 2.** RCW 70.47.010 and 1993 c 492 s 208 are each amended to
34 read as follows: (1)(a) The legislature finds that limitations on
35 access to health care services for enrollees in the state, such as in
36 rural and underserved areas, are particularly challenging for the basic

1 health plan. Statutory restrictions have reduced the options available
2 to the administrator to address the access needs of basic health plan
3 enrollees. It is the intent of the legislature to authorize the
4 administrator to develop alternative purchasing strategies to ensure
5 access to basic health plan enrollees in all areas of the state,
6 including: (i) The use of differential rating for managed health care
7 systems based on geographic differences in costs; and (ii) until
8 January 1, 2004, limited use of self-insurance in areas where adequate
9 access cannot be assured through other options.

10 (b) In developing alternative purchasing strategies to address
11 health care access needs, the administrator shall consult with
12 interested persons including health carriers, health care providers,
13 and health facilities, and with other appropriate state agencies
14 including the office of the insurance commissioner and the office of
15 community and rural health. In pursuing such alternatives, the
16 administrator shall continue to give priority to prepaid managed care
17 as the preferred method of assuring access to basic health plan
18 enrollees.

19 (2) The legislature further finds that:

20 (a) A significant percentage of the population of this state does
21 not have reasonably available insurance or other coverage of the costs
22 of necessary basic health care services;

23 (b) This lack of basic health care coverage is detrimental to the
24 health of the individuals lacking coverage and to the public welfare,
25 and results in substantial expenditures for emergency and remedial
26 health care, often at the expense of health care providers, health care
27 facilities, and all purchasers of health care, including the state; and

28 (c) The use of managed health care systems has significant
29 potential to reduce the growth of health care costs incurred by the
30 people of this state generally, and by low-income pregnant women, and
31 at-risk children and adolescents who need greater access to managed
32 health care.

33 ((+2)) (3) The purpose of this chapter is to provide or make more
34 readily available necessary basic health care services in an
35 appropriate setting to working persons and others who lack coverage, at
36 a cost to these persons that does not create barriers to the
37 utilization of necessary health care services. To that end, this
38 chapter establishes a program to be made available to those residents
39 not eligible for medicare who share in a portion of the cost or who pay

1 the full cost of receiving basic health care services from a managed
2 health care system.

3 ~~((+3))~~ (4) It is not the intent of this chapter to provide health
4 care services for those persons who are presently covered through
5 private employer-based health plans, nor to replace employer-based
6 health plans. However, the legislature recognizes that cost-effective
7 and affordable health plans may not always be available to small
8 business employers. Further, it is the intent of the legislature to
9 expand, wherever possible, the availability of private health care
10 coverage and to discourage the decline of employer-based coverage.

11 ~~((+4))~~ (5)(a) It is the purpose of this chapter to acknowledge the
12 initial success of this program that has (i) assisted thousands of
13 families in their search for affordable health care; (ii) demonstrated
14 that low-income, uninsured families are willing to pay for their own
15 health care coverage to the extent of their ability to pay; and (iii)
16 proved that local health care providers are willing to enter into a
17 public-private partnership as a managed care system.

18 (b) As a consequence, the legislature intends to extend an option
19 to enroll to certain citizens above two hundred percent of the federal
20 poverty guidelines within the state who reside in communities where the
21 plan is operational and who collectively or individually wish to
22 exercise the opportunity to purchase health care coverage through the
23 basic health plan if the purchase is done at no cost to the state. It
24 is also the intent of the legislature to allow employers and other
25 financial sponsors to financially assist such individuals to purchase
26 health care through the program so long as such purchase does not
27 result in a lower standard of coverage for employees.

28 (c) The legislature intends that, to the extent of available funds,
29 the program be available throughout Washington state to subsidized and
30 nonsubsidized enrollees. It is also the intent of the legislature to
31 enroll subsidized enrollees first, to the maximum extent feasible.

32 (d) The legislature directs that the basic health plan
33 administrator identify enrollees who are likely to be eligible for
34 medical assistance and assist these individuals in applying for and
35 receiving medical assistance. The administrator and the department of
36 social and health services shall implement a seamless system to
37 coordinate eligibility determinations and benefit coverage for
38 enrollees of the basic health plan and medical assistance recipients.

1 **Sec. 3.** RCW 70.47.020 and 1997 c 335 s 1 are each amended to read
2 as follows:

3 As used in this chapter:

4 (1) "Washington basic health plan" or "plan" means the system of
5 enrollment and payment (~~((on a prepaid capitated basis))~~) for basic
6 health care services, administered by the plan administrator through
7 participating managed health care systems, created by this chapter.

8 (2) "Administrator" means the Washington basic health plan
9 administrator, who also holds the position of administrator of the
10 Washington state health care authority.

11 (3) "Managed health care system" means: (a) Any health care
12 organization, including health care providers, insurers, health care
13 service contractors, health maintenance organizations, or any
14 combination thereof, that provides directly or by contract basic health
15 care services, as defined by the administrator and rendered by duly
16 licensed providers, (~~((on a prepaid capitated basis))~~) to a defined
17 patient population enrolled in the plan and in the managed health care
18 system; or (b) until January 1, 2004, a self-funded or self-insured
19 method of providing insurance coverage to subsidized enrollees provided
20 under RCW 41.05.140 and subject to the limitations under RCW
21 70.47.100(6).

22 (4) "Subsidized enrollee" means an individual, or an individual
23 plus the individual's spouse or dependent children: (a) Who is not
24 eligible for medicare; (b) who is not confined or residing in a
25 government-operated institution, unless he or she meets eligibility
26 criteria adopted by the administrator; (c) who resides in an area of
27 the state served by a managed health care system participating in the
28 plan; (d) whose gross family income at the time of enrollment does not
29 exceed twice the federal poverty level as adjusted for family size and
30 determined annually by the federal department of health and human
31 services; and (e) who chooses to obtain basic health care coverage from
32 a particular managed health care system in return for periodic payments
33 to the plan.

34 (5) "Nonsubsidized enrollee" means an individual, or an individual
35 plus the individual's spouse or dependent children: (a) Who is not
36 eligible for medicare; (b) who is not confined or residing in a
37 government-operated institution, unless he or she meets eligibility
38 criteria adopted by the administrator; (c) who resides in an area of
39 the state served by a managed health care system participating in the

1 plan; (d) who chooses to obtain basic health care coverage from a
2 particular managed health care system; and (e) who pays or on whose
3 behalf is paid the full costs for participation in the plan, without
4 any subsidy from the plan.

5 (6) "Subsidy" means the difference between the amount of periodic
6 payment the administrator makes to a managed health care system on
7 behalf of a subsidized enrollee plus the administrative cost to the
8 plan of providing the plan to that subsidized enrollee, and the amount
9 determined to be the subsidized enrollee's responsibility under RCW
10 70.47.060(2).

11 (7) "Premium" means a periodic payment, based upon gross family
12 income which an individual, their employer or another financial sponsor
13 makes to the plan as consideration for enrollment in the plan as a
14 subsidized enrollee or a nonsubsidized enrollee.

15 (8) "Rate" means the (~~per capita~~) amount, negotiated by the
16 administrator with and paid to a participating managed health care
17 system, that is based upon the enrollment of subsidized and
18 nonsubsidized enrollees in the plan and in that system.

19 **Sec. 4.** RCW 70.47.060 and 1998 c 314 s 17 and 1998 c 148 s 1 are
20 each reenacted and amended to read as follows:

21 The administrator has the following powers and duties:

22 (1) To design and from time to time revise a schedule of covered
23 basic health care services, including physician services, inpatient and
24 outpatient hospital services, prescription drugs and medications, and
25 other services that may be necessary for basic health care. In
26 addition, the administrator may, to the extent that funds are
27 available, offer as basic health plan services chemical dependency
28 services, mental health services and organ transplant services;
29 however, no one service or any combination of these three services
30 shall increase the actuarial value of the basic health plan benefits by
31 more than five percent excluding inflation, as determined by the office
32 of financial management. All subsidized and nonsubsidized enrollees in
33 any participating managed health care system under the Washington basic
34 health plan shall be entitled to receive covered basic health care
35 services in return for premium payments to the plan. The schedule of
36 services shall emphasize proven preventive and primary health care and
37 shall include all services necessary for prenatal, postnatal, and well-
38 child care. However, with respect to coverage for groups of subsidized

1 enrollees who are eligible to receive prenatal and postnatal services
2 through the medical assistance program under chapter 74.09 RCW, the
3 administrator shall not contract for such services except to the extent
4 that such services are necessary over not more than a one-month period
5 in order to maintain continuity of care after diagnosis of pregnancy by
6 the managed care provider. The schedule of services shall also include
7 a separate schedule of basic health care services for children,
8 eighteen years of age and younger, for those subsidized or
9 nonsubsidized enrollees who choose to secure basic coverage through the
10 plan only for their dependent children. In designing and revising the
11 schedule of services, the administrator shall consider the guidelines
12 for assessing health services under the mandated benefits act of 1984,
13 RCW 48.47.030, and such other factors as the administrator deems
14 appropriate.

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

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

32 (b) To determine the periodic premiums due the administrator from
33 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees
34 shall be in an amount equal to the cost charged by the managed health
35 care system provider to the state for the plan plus the administrative
36 cost of providing the plan to those enrollees and the premium tax under
37 RCW 48.14.0201.

38 (c) An employer or other financial sponsor may, with the prior
39 approval of the administrator, pay the premium, rate, or any other

1 amount on behalf of a subsidized or nonsubsidized enrollee, by
2 arrangement with the enrollee and through a mechanism acceptable to the
3 administrator.

4 (d) To develop, as an offering by every health carrier providing
5 coverage identical to the basic health plan, as configured on January
6 1, 1996, a basic health plan model plan with uniformity in enrollee
7 cost-sharing requirements.

8 (3) To design and implement a structure of enrollee cost sharing
9 due a managed health care system from subsidized and nonsubsidized
10 enrollees. The structure shall discourage inappropriate enrollee
11 utilization of health care services, and may utilize copayments,
12 deductibles, and other cost-sharing mechanisms, but shall not be so
13 costly to enrollees as to constitute a barrier to appropriate
14 utilization of necessary health care services.

15 (4) To limit enrollment of persons who qualify for subsidies so as
16 to prevent an overexpenditure of appropriations for such purposes.
17 Whenever the administrator finds that there is danger of such an
18 overexpenditure, the administrator shall close enrollment until the
19 administrator finds the danger no longer exists.

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

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

28 (7) To solicit and accept applications from managed health care
29 systems, as defined in this chapter, for inclusion as eligible basic
30 health care providers under the plan. The administrator shall endeavor
31 to assure that covered basic health care services are available to any
32 enrollee of the plan from among a selection of two or more
33 participating managed health care systems. In adopting any rules or
34 procedures applicable to managed health care systems and in its
35 dealings with such systems, the administrator shall consider and make
36 suitable allowance for the need for health care services and the
37 differences in local availability of health care resources, along with
38 other resources, within and among the several areas of the state.
39 Contracts with participating managed health care systems shall ensure

1 that basic health plan enrollees who become eligible for medical
2 assistance may, at their option, continue to receive services from
3 their existing providers within the managed health care system if such
4 providers have entered into provider agreements with the department of
5 social and health services.

6 (8) To receive periodic premiums from or on behalf of subsidized
7 and nonsubsidized enrollees, deposit them in the basic health plan
8 operating account, keep records of enrollee status, and authorize
9 periodic payments to managed health care systems on the basis of the
10 number of enrollees participating in the respective managed health care
11 systems.

12 (9) To accept applications from individuals residing in areas
13 served by the plan, on behalf of themselves and their spouses and
14 dependent children, for enrollment in the Washington basic health plan
15 as subsidized or nonsubsidized enrollees, to establish appropriate
16 minimum-enrollment periods for enrollees as may be necessary, and to
17 determine, upon application and on a reasonable schedule defined by the
18 authority, or at the request of any enrollee, eligibility due to
19 current gross family income for sliding scale premiums. Funds received
20 by a family as part of participation in the adoption support program
21 authorized under RCW 26.33.320 and 74.13.100 through 74.13.145 shall
22 not be counted toward a family's current gross family income for the
23 purposes of this chapter. When an enrollee fails to report income or
24 income changes accurately, the administrator shall have the authority
25 either to bill the enrollee for the amounts overpaid by the state or to
26 impose civil penalties of up to two hundred percent of the amount of
27 subsidy overpaid due to the enrollee incorrectly reporting income. The
28 administrator shall adopt rules to define the appropriate application
29 of these sanctions and the processes to implement the sanctions
30 provided in this subsection, within available resources. No subsidy
31 may be paid with respect to any enrollee whose current gross family
32 income exceeds twice the federal poverty level or, subject to RCW
33 70.47.110, who is a recipient of medical assistance or medical care
34 services under chapter 74.09 RCW. If a number of enrollees drop their
35 enrollment for no apparent good cause, the administrator may establish
36 appropriate rules or requirements that are applicable to such
37 individuals before they will be allowed to reenroll in the plan.

38 (10) To accept applications from business owners on behalf of
39 themselves and their employees, spouses, and dependent children, as

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

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

28 (12) To monitor the provision of covered services to enrollees by
29 participating managed health care systems in order to assure enrollee
30 access to good quality basic health care, to require periodic data
31 reports concerning the utilization of health care services rendered to
32 enrollees in order to provide adequate information for evaluation, and
33 to inspect the books and records of participating managed health care
34 systems to assure compliance with the purposes of this chapter. In
35 requiring reports from participating managed health care systems,
36 including data on services rendered enrollees, the administrator shall
37 endeavor to minimize costs, both to the managed health care systems and
38 to the plan. The administrator shall coordinate any such reporting
39 requirements with other state agencies, such as the insurance

1 commissioner and the department of health, to minimize duplication of
2 effort.

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

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

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

12 (16) In consultation with appropriate state and local government
13 agencies, to establish criteria defining eligibility for persons
14 confined or residing in government-operated institutions.

15 **Sec. 5.** RCW 70.47.100 and 1987 1st ex.s. c 5 s 12 are each amended
16 to read as follows:

17 (1) A managed health care systems participating in the plan shall
18 do so by contract with the administrator and shall provide, directly or
19 by contract with other health care providers, covered basic health care
20 services to each enrollee covered by its contract with the
21 administrator as long as payments from the administrator on behalf of
22 the enrollee are current. A participating managed health care system
23 may offer, without additional cost, health care benefits or services
24 not included in the schedule of covered services under the plan. A
25 participating managed health care system shall not give preference in
26 enrollment to enrollees who accept such additional health care benefits
27 or services. Managed health care systems participating in the plan
28 shall not discriminate against any potential or current enrollee based
29 upon health status, sex, race, ethnicity, or religion. The
30 administrator may receive and act upon complaints from enrollees
31 regarding failure to provide covered services or efforts to obtain
32 payment, other than authorized copayments, for covered services
33 directly from enrollees, but nothing in this chapter empowers the
34 administrator to impose any sanctions under Title 18 RCW or any other
35 professional or facility licensing statute.

36 (2) The plan shall allow, at least annually, an opportunity for
37 enrollees to transfer their enrollments among participating managed
38 health care systems serving their respective areas. The administrator

1 shall establish a period of at least twenty days in a given year when
2 this opportunity is afforded enrollees, and in those areas served by
3 more than one participating managed health care system the
4 administrator shall endeavor to establish a uniform period for such
5 opportunity. The plan shall allow enrollees to transfer their
6 enrollment to another participating managed health care system at any
7 time upon a showing of good cause for the transfer.

8 ~~((Any contract between a hospital and a participating managed
9 health care system under this chapter is subject to the requirements of
10 RCW 70.39.140(1) regarding negotiated rates.))~~

11 (3) Prior to negotiating with any managed health care system, the
12 administrator shall determine, on an actuarially sound basis, the
13 reasonable cost of providing the schedule of basic health care
14 services, expressed in terms of upper and lower limits, and recognizing
15 variations in the cost of providing the services through the various
16 systems and in different areas of the state.

17 (4) In negotiating with managed health care systems for
18 participation in the plan, the administrator shall adopt a uniform
19 procedure that includes at least the following:

20 ~~((1))~~ (a) The administrator shall issue a request for proposals,
21 including standards regarding the quality of services to be provided;
22 financial integrity of the responding systems; and responsiveness to
23 the unmet health care needs of the local communities or populations
24 that may be served;

25 ~~((2))~~ (b) The administrator shall then review responsive
26 proposals and may negotiate with respondents to the extent necessary to
27 refine any proposals;

28 ~~((3))~~ (c) The administrator may then select one or more systems
29 to provide the covered services within a local area; and

30 ~~((4))~~ (d) The administrator may adopt a policy that gives
31 preference to respondents, such as nonprofit community health clinics,
32 that have a history of providing quality health care services to low-
33 income persons.

34 (5) The administrator may establish procedures and policies to
35 further negotiate and contract with managed health care systems
36 following completion of the request for proposal process in subsection
37 (4) of this section, upon a determination by the administrator that it
38 is necessary to provide access to covered basic health care services
39 for enrollees.

1 (6) Until January 1, 2004, the administrator may utilize a self-
2 funded or self-insured method of providing insurance coverage to
3 subsidized enrollees provided under RCW 41.05.140 if: (a) It is
4 necessary to provide access to covered basic health care services for
5 subsidized enrollees; (b) funding for adequate reserves is available in
6 the basic health plan self-insurance reserve account; and (c) other
7 options for providing access to covered basic health care services for
8 subsidized enrollees are not feasible.

9 **Sec. 6.** RCW 41.05.140 and 1994 c 153 s 10 are each amended to read
10 as follows:

11 (1) Except for property and casualty insurance, the authority may
12 self-fund, self-insure, or enter into other methods of providing
13 insurance coverage for insurance programs under its jurisdiction
14 ((except property and casualty insurance)), including the basic health
15 plan as provided in chapter 70.47 RCW. The authority shall contract
16 for payment of claims or other administrative services for programs
17 under its jurisdiction. If a program does not require the prepayment
18 of reserves, the authority shall establish such reserves within a
19 reasonable period of time for the payment of claims as are normally
20 required for that type of insurance under an insured program.

21 (2) Reserves established by the authority for employee and retiree
22 benefit programs shall be held in a separate trust fund by the state
23 treasurer and shall be known as the public employees' and retirees'
24 insurance reserve fund. The state investment board shall act as the
25 investor for the funds and, except as provided in RCW 43.33A.160, one
26 hundred percent of all earnings from these investments shall accrue
27 directly to the public employees' and retirees' insurance reserve fund.

28 (3) Any savings realized as a result of a program created for
29 employees and retirees under this section shall not be used to increase
30 benefits unless such use is authorized by statute.

31 (4) Reserves established by the authority to provide insurance
32 coverage for the basic health plan under chapter 70.47 RCW shall be
33 held in a separate trust account in the custody of the state treasurer
34 and shall be known as the basic health plan self-insurance reserve
35 account. The state investment board shall act as the investor for the
36 funds and, except as provided in RCW 43.33A.160, one hundred percent of
37 all earnings from these investments shall accrue directly to the basic
38 health plan self-insurance reserve account.

1 (5) Any program created under this section shall be subject to the
2 examination requirements of chapter 48.03 RCW as if the program were a
3 domestic insurer. In conducting an examination, the commissioner shall
4 determine the adequacy of the reserves established for the program.

5 (~~(5)~~) (6) The authority shall keep full and adequate accounts and
6 records of the assets, obligations, transactions, and affairs of any
7 program created under this section.

8 (~~(6)~~) (7) The authority shall file a quarterly statement of the
9 financial condition, transactions, and affairs of any program created
10 under this section in a form and manner prescribed by the insurance
11 commissioner. The statement shall contain information as required by
12 the commissioner for the type of insurance being offered under the
13 program. A copy of the annual statement shall be filed with the
14 speaker of the house of representatives and the president of the
15 senate.

16 **Sec. 7.** RCW 43.79A.040 and 1998 c 268 s 1 are each amended to read
17 as follows:

18 (1) Money in the treasurer's trust fund may be deposited, invested,
19 and reinvested by the state treasurer in accordance with RCW 43.84.080
20 in the same manner and to the same extent as if the money were in the
21 state treasury.

22 (2) All income received from investment of the treasurer's trust
23 fund shall be set aside in an account in the treasury trust fund to be
24 known as the investment income account.

25 (3) The investment income account may be utilized for the payment
26 of purchased banking services on behalf of treasurer's trust funds
27 including, but not limited to, depository, safekeeping, and
28 disbursement functions for the state treasurer or affected state
29 agencies. The investment income account is subject in all respects to
30 chapter 43.88 RCW, but no appropriation is required for payments to
31 financial institutions. Payments shall occur prior to distribution of
32 earnings set forth in subsection (4) of this section.

33 (4)(a) Monthly, the state treasurer shall distribute the earnings
34 credited to the investment income account to the state general fund
35 except under (b) and (c) of this subsection.

36 (b) The following accounts and funds shall receive their
37 proportionate share of earnings based upon each account's or fund's
38 average daily balance for the period: The Washington advanced college

1 tuition payment program account, the agricultural local fund, the
2 American Indian scholarship endowment fund, the basic health plan self-
3 insurance reserve account, the Washington international exchange
4 scholarship endowment fund, the energy account, the fair fund, the game
5 farm alternative account, the grain inspection revolving fund, the
6 rural rehabilitation account, the stadium and exhibition center
7 account, the youth athletic facility grant account, the self-insurance
8 revolving fund, the sulfur dioxide abatement account, and the
9 children's trust fund. However, the earnings to be distributed shall
10 first be reduced by the allocation to the state treasurer's service
11 fund pursuant to RCW 43.08.190.

12 (c) The following accounts and funds shall receive eighty percent
13 of their proportionate share of earnings based upon each account's or
14 fund's average daily balance for the period: The advanced right of way
15 revolving fund, the advanced environmental mitigation revolving
16 account, the federal narcotics asset forfeitures account, the high
17 occupancy vehicle account, the local rail service assistance account,
18 and the miscellaneous transportation programs account.

19 (5) In conformance with Article II, section 37 of the state
20 Constitution, no trust accounts or funds shall be allocated earnings
21 without the specific affirmative directive of this section.

22 NEW SECTION. **Sec. 8.** (1) The task force on health insurance
23 market stabilization is created, to be composed of seven members.
24 Three members shall be appointed by the governor, including: (1) the
25 chair of the Washington state health insurance pool; (2) a
26 representative of a statewide health care consumer organization; and
27 (3) a representative of a statewide health care provider organization.
28 Two members shall be appointed by the president of the senate,
29 including one member of each Senate caucus. The co-speakers of the
30 House of Representatives shall each appoint a member from his
31 respective caucus. The chair shall be elected by the task force from
32 among its members.

33 (2) The task force shall:

34 (a) Monitor the provisions of this act regarding its effect on:

35 (i) Carrier participation in the individual market, especially in
36 areas where coverage is currently minimal;

37 (ii) Affordability and availability of private health plan
38 coverage;

1 (iii) Washington state health insurance pool operations; and

2 (iv) The Washington basic health plan operations;

3 (b) After studying the feasibility of reinsurance and other methods
4 of health insurance market stability, develop a market stabilization
5 reinsurance system implementation plan as appropriate; and

6 (c) Seek participation from interested parties, including but not
7 limited to consumer, carriers, health care providers, health care
8 purchasers, and insurance brokers and agents, in an effective manner.

9 (3) In the conduct of its business, the task force shall have
10 access to all health data available by statute to health-related state
11 agencies and may, to the extent that funds are available, purchase
12 necessary analytical and staff support.

13 (4) Task force members will receive no compensation for their
14 service.

15 (5) The task force shall submit an interim report to the governor
16 and the legislature in January 2000 and a final report no later than
17 December 1, 2000.

18 (6) The task force expires December 31, 2000.

19 NEW SECTION. **Sec. 9.** (1) The sum of seventy-five thousand
20 dollars, or as much thereof as may be necessary, is appropriated for
21 the fiscal year ending June 30, 2000, from the general fund to the
22 office of financial management for the task force on health insurance
23 market stabilization created in section 8 of this act.

24 (2) The sum of fifty thousand dollars, or as much thereof as may be
25 necessary, is appropriated for the fiscal year ending June 30, 2001,
26 from the general fund to the office of financial management for the
27 task force on health care reinsurance created in section 8 of this act.

28 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the
30 state government and its existing public institutions, and takes effect
31 immediately.

32 NEW SECTION. **Sec. 11.** Sections 6 and 7 of this act expire January
33 1, 2004."

1 **SSB 6067** - S AMD - 483

2 By Senators Costa, Fairley, Kohl-Welles, Franklin, Eide and
3 Kline

4 NOT ADOPTED 4/24/99

5 On page 1, beginning with "48.04.010" on line 2, strike all
6 material through "RCW 48.41.180" on line 12 and insert: RCW 48.41.100,
7 70.47.010, 70.47.020, 70.47.100, 41.05.140, and 43.79A.040; reenacting
8 and amending RCW 70.47.060; creating a new section; making
9 appropriations; providing an expiration date; and declaring an
10 emergency.

--- END ---

EFFECT: Striking amendment replacing the current language in the bill with language which would immediately open the Washington State Health Insurance Pool to any person who otherwise cannot get health coverage. The Health Care Authority is given more flexibility in the design and delivery of the Basic Health Plan. An executive/legislative task force on health insurance market stabilization is created and shall submit an interim report to the governor and the legislature in January 2000, and a final report no later than December 1, 2000.