
SENATE BILL 5798

State of Washington

64th Legislature

2015 Regular Session

By Senators Keiser and Bailey

Read first time 02/03/15. Referred to Committee on Health Care.

1 AN ACT Relating to a second-party payment process for paying
2 insurers; adding a new section to chapter 48.43 RCW; and creating a
3 new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that under
6 regulations implementing the federal patient protection and
7 affordable care act, issuers offering individual market qualified
8 health plans are required to accept third-party premium and cost-
9 sharing payments from the Ryan White HIV/AIDS program under Title
10 XXVI of the public health service act, Indian tribes, tribal
11 organizations or urban Indian organizations, and state and federal
12 government programs. However, federal regulators have stated that
13 they have serious concerns about payments made on a third-party basis
14 by hospitals, health care providers, and other commercial entities
15 using their own funds because of the potential that such payments
16 could cause distortions in the insurance market.

17 (2) The legislature intends to clarify that an entity that makes
18 premium payments from accounts that are owned and controlled by the
19 insured do not constitute a third party for the purposes of
20 acceptance of premium payments by an insurer.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.43
2 RCW to read as follows:

3 (1) For the purposes of this section, "second-party payment
4 process" means a process in which: (a) An individual has an account
5 under his or her name maintained with a financial institution and is
6 either managed by the financial institution or an entity that, with
7 the express agreement with the individual, has established the
8 account on behalf of the individual with a financial institution; (b)
9 the account is funded with funds from the individual or his or her
10 family members or in a manner otherwise consistent with federal law
11 including, but not limited to, federal guidance implementing the
12 federal patient protection and affordable care act; and (c) the
13 account is under the control of the insured, such that the insured
14 may authorize payments from the account.

15 (2) All insurers must accept any payments made by a second-party
16 payment process; however, no insurer need accept payment by a second-
17 party payment process if the second-party payer is controlled by or
18 receives funding from any entity where such entity may be reimbursed
19 by an insurer for providing health care services or if the account
20 under the control of the insured is funded by any such entity, except
21 those third-party entities from whom federal law requires such
22 insurer to accept payment.

23 (3) Payments made under subsection (2) of this section may be
24 made with any legal tender denominated in United States dollars.

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