H-2183.1

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**SECOND SUBSTITUTE HOUSE BILL 1523**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Cody, Macri, Riccelli, Stonier, Tharinger, Ormsby, Davis, Frame, Robinson, Thai, Doglio, Stanford, and Valdez; by request of Office of the Governor)

AN ACT Relating to increasing the availability of quality, affordable health coverage in the individual market; adding a new section to chapter 43.71 RCW; adding a new section to chapter 42.56 RCW; adding a new section to chapter 41.05 RCW; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec.**  A new section is added to chapter 43.71 RCW to read as follows:

(1) The exchange, in consultation with the commissioner, the authority, an independent actuary, and other stakeholders, must establish up to three standardized health plans for each of the bronze, silver, and gold levels.

(a) The standardized health plans must be designed to reduce deductibles, make more services available before the deductible, provide predictable cost sharing, maximize subsidies, limit adverse premium impacts, reduce barriers to maintaining and improving health, and encourage choice based on value, while limiting increases in health plan premium rates.

(b) The exchange may update the standardized health plans annually.

(c) The exchange must provide a notice and public comment period before finalizing each year's standardized health plans.

(d) The exchange must provide written notice of the standardized health plans to licensed health carriers by January 31st before the year in which the health plans are to be offered on the exchange.

(2)(a) Beginning January 1, 2021, any health carrier offering a qualified health plan on the exchange must offer one silver standardized health plan and one gold standardized health plan on the exchange. If a health carrier offers a bronze health plan on the exchange, it must offer one bronze standardized health plan on the exchange.

(b) For plan years 2021 through 2024, a health carrier offering a standardized health plan under this section may also offer nonstandardized health plans on the exchange subject to the following:

(i) For plan years 2021 and 2022, a health carrier may offer an unlimited number of nonstandardized health plans on the exchange;

(ii) For plan years 2023 and 2024, a health carrier may not offer more than three nonstandardized health plans in each of the bronze, silver, and gold levels on the exchange; and

(iii) The actuarial value of nonstandardized silver health plans offered on the exchange may not be less than the actuarial value of the standardized silver health plan.

(c) For health plan years beginning in 2025, a health carrier may not offer nonstandardized health plans in any metal level on the exchange.

(d) A health carrier offering a standardized health plan on the exchange under this section must continue to meet all requirements for qualified health plan certification under RCW 43.71.065 including, but not limited to, requirements relating to rate review and network adequacy.

NEW SECTION. **Sec.**  A new section is added to chapter 42.56 RCW to read as follows:

Any data submitted by health carriers to the health benefit exchange for purposes of establishing standardized benefit plans under section 1 of this act are confidential and exempt from disclosure under this chapter.

NEW SECTION. **Sec.**  A new section is added to chapter 41.05 RCW to read as follows:

(1) The authority, in consultation with the health benefit exchange, must contract with one or more health carriers to offer silver and gold qualified health plans on the Washington health benefit exchange for plan years beginning in 2021. A qualified health plan offered under this section must meet the following criteria:

(a) The qualified health plan must be a standardized health plan established under section 1 of this act;

(b) The qualified health plan must meet all requirements for qualified health plan certification under RCW 43.71.065 including, but not limited to, requirements relating to rate review and network adequacy;

(c) The qualified health plan must incorporate recommendations of the Robert Bree collaborative and the health technology assessment program;

(d) The qualified health plan must use a managed care model that includes care coordination care management to enrollees as appropriate; and

(e) The qualified health plan's fee-for-service rates for providers and facilities may not exceed the medicare rates for the same or similar covered services in the same or similar geographic area. For reimbursement methodologies other than fee-for-service, the aggregate amount the qualified health plan pays to providers and facilities may not exceed the equivalent of the aggregate amount the qualified health plan would have reimbursed providers and facilities using fee-for-service medicare rates.

(2) When implementing this section, the director must use a request for qualifications process. The director must review the qualifications of health carriers seeking to offer qualified health plans under this section and may negotiate with the health plans to the extent necessary to refine the health carriers' responses. The director must contract with all health carriers who meet the minimum qualifications.

(3) Nothing in this section prohibits a health carrier offering qualified health plans under this section from offering other health plans in the individual market.

NEW SECTION. **Sec.**  (1) The Washington health benefit exchange, in consultation with the health care authority and the insurance commissioner, must develop a plan to implement and fund premium subsidies for individuals whose modified adjusted gross incomes are less than five hundred percent of the federal poverty level and who are purchasing individual market coverage on the exchange. The goal of the plan is to enable participating individuals to spend no more than ten percent of their modified adjusted gross incomes on premiums. The plan must also include an assessment of providing cost-sharing reductions to plan participants.

(2) The Washington health benefit exchange must submit the plan, along with proposed implementing legislation, to the appropriate committees of the legislature by November 15, 2020.

(3) This section expires January 1, 2021.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void.

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