
ENGROSSED SUBSTITUTE SENATE BILL 5526

State of Washington

66th Legislature

2019 Regular Session

By Senate Health & Long Term Care (originally sponsored by Senators Frockt, Cleveland, Kuderer, Randall, Keiser, Dhingra, Conway, Wellman, Darneille, Hunt, Hobbs, Das, Lias, Nguyen, Pedersen, Rolfes, Saldaña, and Van De Wege; by request of Office of the Governor)

READ FIRST TIME 02/21/19.

1 AN ACT Relating to increasing the availability of quality,
2 affordable health coverage in the individual market; adding a new
3 section to chapter 43.71 RCW; adding a new section to chapter 42.56
4 RCW; adding a new section to chapter 41.05 RCW; adding a new section
5 to chapter 48.43 RCW; creating a new section; and providing an
6 expiration date.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.71
9 RCW to read as follows:

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

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

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

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

3 (d) By January 1st before the year in which the health plans are
4 to be offered on the exchange, the commissioner shall review the
5 standardized health plan designs and provide written comments to the
6 exchange and the chairs of the health care committees of the state
7 senate and house of representatives. The exchange must provide
8 written notice of the standardized health plans to licensed health
9 carriers by January 31st before the year in which the health plans
10 are to be offered on the exchange.

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

17 (b)(i) A health plan offering a standardized health plan under
18 this section may also offer nonstandardized health plans on the
19 exchange.

20 (ii) The exchange and the office of the insurance commissioner
21 shall analyze the impact to exchange consumers of offering only
22 standard plans beginning in 2025 and submit a report to the
23 appropriate committees of the legislature by December 1, 2023. The
24 report must include an analysis of how plan choice and affordability
25 will be impacted for exchange consumers across the state.

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

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

34 NEW SECTION. **Sec. 2.** A new section is added to chapter 42.56
35 RCW to read as follows:

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

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05

2 RCW to read as follows:

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

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

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

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

17 (d) The qualified health plan may use a managed care model that
18 includes care coordination care management to enrollees as
19 appropriate;

20 (e) The qualified health plan must meet additional participation
21 requirements to reduce barriers to maintaining and improving health
22 and align to state agency value-based purchasing. These requirements
23 may include, but are not limited to, standards for population health
24 management; high-value, proven care; health equity; primary care;
25 care coordination and chronic disease management; wellness and
26 prevention; prevention of wasteful and harmful care; and patient
27 engagement;

28 (f) To reduce administrative burden and increase transparency,
29 the qualified health plan's utilization review processes must:

30 (i) Be focused on care that has high variation, high cost, or low
31 evidence of clinical effectiveness;

32 (ii) Meet national accreditation standards; and

33 (iii) Align with published criteria published by the authority;

34 and

35 (g) For services provided by rural hospitals certified by the
36 centers for medicare and medicaid services as critical access
37 hospitals or sole community hospitals, the rates may not be less than
38 one hundred one percent of allowable costs.

39 (2) The director, after consultation with the health benefit
40 exchange, shall conduct procurement negotiations with health carriers

1 and selectively contract with a health carrier or carriers to offer a
2 qualified health plan or plans that offer the optimal combination of
3 choice, affordability, quality, and service. The goal of the
4 procurement conducted under this section is to have health carriers
5 contracting with the authority under this section offering at least
6 one qualified health plan in every county in the state. The director
7 shall consider the rates, utilization management policies,
8 pharmaceutical costs, and other factors proposed by the carrier or
9 carriers, with the goal of negotiating for qualified health plans
10 that reduce premiums below the average premiums for qualified health
11 plans in the same metal tier in Washington during plan year 2019.

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

15 NEW SECTION. **Sec. 4.** (1) The Washington health benefit
16 exchange, in consultation with the health care authority and the
17 insurance commissioner, must develop a plan to implement and fund
18 premium subsidies for individuals whose modified adjusted gross
19 incomes are less than five hundred percent of the federal poverty
20 level and who are purchasing individual market coverage on the
21 exchange. The goal of the plan is to enable participating individuals
22 to spend no more than ten percent of their modified adjusted gross
23 incomes on premiums. The plan must also include an assessment of
24 providing cost-sharing reductions to plan participants.

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

28 (3) This section expires January 1, 2021.

29 NEW SECTION. **Sec. 5.** A new section is added to chapter 48.43
30 RCW to read as follows:

31 The commissioner shall submit an annual report to the appropriate
32 committees of the legislature on the number of health plans available
33 per county in the individual market.

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