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**SUBSTITUTE SENATE BILL 5526**

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**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, Rolfe, 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; creating a new  
5 section; and providing an expiration date.

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

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

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

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

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

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

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

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

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

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

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

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

24 (c) For health plan years beginning in 2025, a health carrier may  
25 not offer more than two nonstandardized health plans in each of the  
26 bronze, silver, and gold levels on the exchange.

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

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

34 Any data submitted by health carriers to the health benefit  
35 exchange for purposes of establishing standardized benefit plans  
36 under section 1 of this act are confidential and exempt from  
37 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 must use a managed care model that  
18    includes care coordination care management to enrollees as  
19    appropriate; and

20       (e) (i) Except as provided in (e) (ii) of this subsection (1), the  
21    qualified health plan's fee-for-service rates for providers and  
22    facilities may not exceed the medicare rates for the same or similar  
23    covered services in the same or similar geographic area. For  
24    reimbursement methodologies other than fee-for-service, the aggregate  
25    amount the qualified health plan pays to providers and facilities may  
26    not exceed the equivalent of the aggregate amount the qualified  
27    health plan would have reimbursed providers and facilities using fee-  
28    for-service medicare rates.

29       (ii) For services provided by rural hospitals certified by the  
30    centers for medicare and medicaid services as critical access  
31    hospitals or sole community hospitals, the rates may not be less than  
32    one hundred one percent of allowable costs.

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

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

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

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

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

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