
HOUSE BILL 1150

State of Washington 54th Legislature 1995 Regular Session

By Representatives Pennington, Buck, Benton, Foreman, Hymes and Mielke

Read first time 01/16/95. Referred to Committee on Health Care.

1 AN ACT Relating to monthly premium copayments for health care
2 benefit plans for state-wide elected officers and members of the
3 legislature; and amending RCW 41.05.021.

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

5 **Sec. 1.** RCW 41.05.021 and 1994 c 309 s 1 are each amended to read
6 as follows:

7 (1) The Washington state health care authority is created within
8 the executive branch. The authority shall have an administrator
9 appointed by the governor, with the consent of the senate. The
10 administrator shall serve at the pleasure of the governor. The
11 administrator may employ up to seven staff members, who shall be exempt
12 from chapter 41.06 RCW, and any additional staff members as are
13 necessary to administer this chapter. The administrator may delegate
14 any power or duty vested in him or her by this chapter, including
15 authority to make final decisions and enter final orders in hearings
16 conducted under chapter 34.05 RCW. The primary duties of the authority
17 shall be to administer state employees' insurance benefits and retired
18 or disabled school employees' insurance benefits, study state-purchased
19 health care programs in order to maximize cost containment in these

1 programs while ensuring access to quality health care, and implement
2 state initiatives, joint purchasing strategies, and techniques for
3 efficient administration that have potential application to all state-
4 purchased health services. The authority's duties include, but are not
5 limited to, the following:

6 (a) To administer health care benefit programs for employees and
7 retired or disabled school employees as specifically authorized in RCW
8 41.05.065 and in accordance with the methods described in RCW
9 41.05.075, 41.05.140, and other provisions of this chapter;

10 (b) To analyze state-purchased health care programs and to explore
11 options for cost containment and delivery alternatives for those
12 programs that are consistent with the purposes of those programs,
13 including, but not limited to:

14 (i) Creation of economic incentives for the persons for whom the
15 state purchases health care to appropriately utilize and purchase
16 health care services, including the development of flexible benefit
17 plans to offset increases in individual financial responsibility;

18 (ii) Utilization of provider arrangements that encourage cost
19 containment, including but not limited to prepaid delivery systems,
20 utilization review, and prospective payment methods, and that ensure
21 access to quality care, including assuring reasonable access to local
22 providers, especially for employees residing in rural areas;

23 (iii) Coordination of state agency efforts to purchase drugs
24 effectively as provided in RCW 70.14.050;

25 (iv) Development of recommendations and methods for purchasing
26 medical equipment and supporting services on a volume discount basis;
27 and

28 (v) Development of data systems to obtain utilization data from
29 state-purchased health care programs in order to identify cost centers,
30 utilization patterns, provider and hospital practice patterns, and
31 procedure costs, utilizing the information obtained pursuant to RCW
32 41.05.031;

33 (c) To analyze areas of public and private health care interaction;

34 (d) To provide information and technical and administrative
35 assistance to the board;

36 (e) To review and approve or deny applications from counties,
37 municipalities, and other political subdivisions of the state to
38 provide state-sponsored insurance or self-insurance programs to their
39 employees in accordance with the provisions of RCW 41.04.205, setting

1 the premium contribution for approved groups as outlined in RCW
2 41.05.050;

3 (f) To appoint a health care policy technical advisory committee as
4 required by RCW 41.05.150;

5 (g) To establish billing procedures and collect funds from school
6 districts and educational service districts (~~(under RCW 28A.400.400)~~)
7 in a way that minimizes the administrative burden on districts; and

8 (h) To promulgate and adopt rules consistent with this chapter as
9 described in RCW 41.05.160.

10 (2) After July 1, 1995, the public employees' benefits board shall
11 implement strategies to promote managed competition among employee
12 health benefit plans in accordance with the Washington health services
13 commission schedule of employer requirements. Strategies may include
14 but are not limited to:

15 (a) Standardizing the benefit package;

16 (b) Soliciting competitive bids for the benefit package;

17 (c) Limiting the state's contribution to a percent of the lowest
18 priced qualified plan within a geographical area. If the state's
19 contribution is less than one hundred percent of the lowest priced
20 qualified bid, employee financial contributions shall be structured on
21 a sliding-scale basis related to household income;

22 (d) Monitoring the impact of the approach under this subsection
23 with regards to: Efficiencies in health service delivery, cost shifts
24 to subscribers, access to and choice of managed care plans state-wide,
25 and quality of health services. The health care authority shall also
26 advise on the value of administering a benchmark employer-managed plan
27 to promote competition among managed care plans. The health care
28 authority shall report its findings and recommendations to the
29 legislature by January 1, 1997.

30 (3) After July 1, 1995, the public employees' benefits board shall
31 impose a monthly premium copayment of ten percent of the lowest priced
32 qualified plan within a geographical area for state-wide elected
33 officers and members of the legislature. This premium copayment shall
34 be in addition to any premium copayments imposed on employees under
35 subsection (2)(c) of this section.

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