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SENATE BILL 5458

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State of Washington

54th Legislature

1995 Regular Session

By Senators Quigley, Moyer, Wojahn, Franklin, Deccio and Winsley; by request of Health Services Commission

Read first time 01/24/95. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to rating method used to establish the uniform  
2 benefits package premium; amending RCW 43.72.010; providing an  
3 effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 43.72.010 and 1994 c 4 s 1 are each amended to read as  
6 follows:

7 In this chapter, unless the context otherwise requires:

8 (1) "Certified health plan" or "plan" means a disability insurer  
9 regulated under chapter 48.20 or 48.21 RCW, a health care service  
10 contractor as defined in RCW 48.44.010, a health maintenance  
11 organization as defined in RCW 48.46.020, or an entity certified in  
12 accordance with RCW 48.43.020 through 48.43.120.

13 (2) "Chair" means the presiding officer of the Washington health  
14 services commission.

15 (3) "Commission" or "health services commission" means the  
16 Washington health services commission.

17 (4) "Community rate" means the rating method used to establish the  
18 premium for the uniform benefits package adjusted to reflect  
19 actuarially demonstrated differences in utilization or cost

1 attributable to age, geographic region, and family size as determined  
2 by the commission.

3 (5) "Continuous quality improvement and total quality management"  
4 means a continuous process to improve health services while reducing  
5 costs.

6 (6) "Employee" means a resident who is in the employment of an  
7 employer, as defined by chapter 50.04 RCW.

8 (7) "Enrollee" means any person who is a Washington resident  
9 enrolled in a certified health plan.

10 (8) "Enrollee point of service cost-sharing" means amounts paid to  
11 certified health plans directly providing services, health care  
12 providers, or health care facilities by enrollees for receipt of  
13 specific uniform benefits package services, and may include copayments,  
14 coinsurance, or deductibles, that together must be actuarially  
15 equivalent across plans and within overall limits established by the  
16 commission.

17 (9) "Enrollee premium sharing" means that portion of the premium  
18 that is paid by enrollees or their family members.

19 (10) "Federal poverty level" means the federal poverty guidelines  
20 determined annually by the United States department of health and human  
21 services or successor agency.

22 (11) "Health care facility" or "facility" means hospices licensed  
23 under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW,  
24 rural health care facilities as defined in RCW 70.175.020, psychiatric  
25 hospitals licensed under chapter 71.12 RCW, nursing homes licensed  
26 under chapter 18.51 RCW, community mental health centers licensed under  
27 chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed  
28 under chapter 70.41 RCW, ambulatory diagnostic, treatment or surgical  
29 facilities licensed under chapter 70.41 RCW, drug and alcohol treatment  
30 facilities licensed under chapter 70.96A RCW, and home health agencies  
31 licensed under chapter 70.127 RCW, and includes such facilities if  
32 owned and operated by a political subdivision or instrumentality of the  
33 state and such other facilities as required by federal law and  
34 implementing regulations, but does not include Christian Science  
35 sanatoriums operated, listed, or certified by the First Church of  
36 Christ Scientist, Boston, Massachusetts.

37 (12) "Health care provider" or "provider" means:

1 (a) A person regulated under Title 18 RCW and chapter 70.127 RCW,  
2 to practice health or health-related services or otherwise practicing  
3 health care services in this state consistent with state law; or

4 (b) An employee or agent of a person described in (a) of this  
5 subsection, acting in the course and scope of his or her employment.

6 (13) "Health insurance purchasing cooperative" or "cooperative"  
7 means a member-owned and governed nonprofit organization certified in  
8 accordance with RCW 43.72.080 and 48.43.160.

9 (14) "Long-term care" means institutional, residential, outpatient,  
10 or community-based services that meet the individual needs of persons  
11 of all ages who are limited in their functional capacities or have  
12 disabilities and require assistance with performing two or more  
13 activities of daily living for an extended or indefinite period of  
14 time. These services include case management, protective supervision,  
15 in-home care, nursing services, convalescent, custodial, chronic, and  
16 terminally ill care.

17 (15) "Major capital expenditure" means any project or expenditure  
18 for capital construction, renovations, or acquisition, including  
19 medical technological equipment, as defined by the commission, costing  
20 more than one million dollars.

21 (16) "Managed care" means an integrated system of insurance,  
22 financing, and health services delivery functions that: (a) Assumes  
23 financial risk for delivery of health services and uses a defined  
24 network of providers; or (b) assumes financial risk for delivery of  
25 health services and promotes the efficient delivery of health services  
26 through provider assumption of some financial risk including  
27 capitation, prospective payment, resource-based relative value scales,  
28 fee schedules, or similar method of limiting payments to health care  
29 providers.

30 (17) "Maximum enrollee financial participation" means the income-  
31 related total annual payments that may be required of an enrollee per  
32 family who chooses one of the three lowest priced uniform benefits  
33 packages offered by plans in a geographic region including both premium  
34 sharing and enrollee point of service cost-sharing.

35 (18) "Persons of color" means Asians/Pacific Islanders, African,  
36 Hispanic, and Native Americans.

37 (19) "Premium" means all sums charged, received, or deposited by a  
38 certified health plan as consideration for a uniform benefits package  
39 or the continuance of a uniform benefits package. Any assessment, or

1 any "membership," "policy," "contract," "service," or similar fee or  
2 charge made by the certified health plan in consideration for the  
3 uniform benefits package is deemed part of the premium. "Premium"  
4 shall not include amounts paid as enrollee point of service cost-  
5 sharing.

6 (20) "Qualified employee" means an employee who is employed at  
7 least thirty hours during a week or one hundred twenty hours during a  
8 calendar month.

9 (21) "Registered employer health plan" means a health plan  
10 established by a private employer of more than seven thousand active  
11 employees in this state solely for the benefit of such employees and  
12 their dependents and that meets the requirements of RCW 43.72.120.  
13 Nothing contained in this subsection shall be deemed to preclude the  
14 plan from providing benefits to retirees of the employer.

15 (22) "Supplemental benefits" means those appropriate and effective  
16 health services that are not included in the uniform benefits package  
17 or that expand the type or level of health services available under the  
18 uniform benefits package and that are offered to all residents in  
19 accordance with the provisions of RCW 43.72.160 and 43.72.170.

20 (23) "Technology" means the drugs, devices, equipment, and medical  
21 or surgical procedures used in the delivery of health services, and the  
22 organizational or supportive systems within which such services are  
23 provided. It also means sophisticated and complicated machinery  
24 developed as a result of ongoing research in the basic biological and  
25 physical sciences, clinical medicine, electronics, and computer  
26 sciences, as well as specialized professionals, medical equipment,  
27 procedures, and chemical formulations used for both diagnostic and  
28 therapeutic purposes.

29 (24) "Uniform benefits package" or "package" means those  
30 appropriate and effective health services, defined by the commission  
31 under RCW 43.72.130, that must be offered to all Washington residents  
32 through certified health plans.

33 (25) "Washington resident" or "resident" means a person who intends  
34 to reside in the state permanently or indefinitely and who did not move  
35 to Washington for the primary purpose of securing health services under  
36 RCW 43.72.090 through 43.72.240, 43.72.300, 43.72.310, 43.72.800, and  
37 chapters 48.43 and 48.85 RCW. "Washington resident" also includes  
38 people and their accompanying family members who are residing in the  
39 state for the purpose of engaging in employment for at least one month,

1 who did not enter the state for the primary purpose of obtaining health  
2 services. The confinement of a person in a nursing home, hospital, or  
3 other medical institution in the state shall not by itself be  
4 sufficient to qualify such person as a resident.

5 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
6 preservation of the public peace, health, or safety, or support of the  
7 state government and its existing public institutions, and shall take  
8 effect July 1, 1995.

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