

2 SHB 2556 - S AMD TO HSC COMM AMD (S5084.1) - 867

3 By Senators A. Anderson, Long, Hargrove and Franklin

4 ADOPTED 3/5/98

5 On page 27, after line 12 of the amendment, insert the following:

6 "Sec. 15. RCW 70.47.060 and 1997 c 337 s 2, 1997 c 335 s 2, 1997  
7 c 245 s 6, and 1997 c 231 s 206 are each reenacted and amended to read  
8 as follows:

9 The administrator has the following powers and duties:

10 (1) To design and from time to time revise a schedule of covered  
11 basic health care services, including physician services, inpatient and  
12 outpatient hospital services, prescription drugs and medications, and  
13 other services that may be necessary for basic health care. In  
14 addition, the administrator may, to the extent that funds are  
15 available, offer as basic health plan services chemical dependency  
16 services, mental health services and organ transplant services;  
17 however, no one service or any combination of these three services  
18 shall increase the actuarial value of the basic health plan benefits by  
19 more than five percent excluding inflation, as determined by the office  
20 of financial management. All subsidized and nonsubsidized enrollees in  
21 any participating managed health care system under the Washington basic  
22 health plan shall be entitled to receive covered basic health care  
23 services in return for premium payments to the plan. The schedule of  
24 services shall emphasize proven preventive and primary health care and  
25 shall include all services necessary for prenatal, postnatal, and well-  
26 child care. However, with respect to coverage for groups of subsidized  
27 enrollees who are eligible to receive prenatal and postnatal services  
28 through the medical assistance program under chapter 74.09 RCW, the  
29 administrator shall not contract for such services except to the extent  
30 that such services are necessary over not more than a one-month period  
31 in order to maintain continuity of care after diagnosis of pregnancy by  
32 the managed care provider. The schedule of services shall also include  
33 a separate schedule of basic health care services for children,  
34 eighteen years of age and younger, for those subsidized or  
35 nonsubsidized enrollees who choose to secure basic coverage through the  
36 plan only for their dependent children. In designing and revising the

1 schedule of services, the administrator shall consider the guidelines  
2 for assessing health services under the mandated benefits act of 1984,  
3 RCW ((48.42.080)) 48.47.030, and such other factors as the  
4 administrator deems appropriate.

5 However, with respect to coverage for subsidized enrollees who are  
6 eligible to receive prenatal and postnatal services through the medical  
7 assistance program under chapter 74.09 RCW, the administrator shall not  
8 contract for such services except to the extent that the services are  
9 necessary over not more than a one-month period in order to maintain  
10 continuity of care after diagnosis of pregnancy by the managed care  
11 provider.

12 (2)(a) To design and implement a structure of periodic premiums due  
13 the administrator from subsidized enrollees that is based upon gross  
14 family income, giving appropriate consideration to family size and the  
15 ages of all family members. The enrollment of children shall not  
16 require the enrollment of their parent or parents who are eligible for  
17 the plan. The structure of periodic premiums shall be applied to  
18 subsidized enrollees entering the plan as individuals pursuant to  
19 subsection (9) of this section and to the share of the cost of the plan  
20 due from subsidized enrollees entering the plan as employees pursuant  
21 to subsection (10) of this section.

22 (b) To determine the periodic premiums due the administrator from  
23 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees  
24 shall be in an amount equal to the cost charged by the managed health  
25 care system provider to the state for the plan plus the administrative  
26 cost of providing the plan to those enrollees and the premium tax under  
27 RCW 48.14.0201.

28 (c) An employer or other financial sponsor may, with the prior  
29 approval of the administrator, pay the premium, rate, or any other  
30 amount on behalf of a subsidized or nonsubsidized enrollee, by  
31 arrangement with the enrollee and through a mechanism acceptable to the  
32 administrator.

33 (d) To develop, as an offering by every health carrier providing  
34 coverage identical to the basic health plan, as configured on January  
35 1, 1996, a basic health plan model plan with uniformity in enrollee  
36 cost-sharing requirements.

37 (3) To design and implement a structure of enrollee cost sharing  
38 due a managed health care system from subsidized and nonsubsidized  
39 enrollees. The structure shall discourage inappropriate enrollee

1 utilization of health care services, and may utilize copayments,  
2 deductibles, and other cost-sharing mechanisms, but shall not be so  
3 costly to enrollees as to constitute a barrier to appropriate  
4 utilization of necessary health care services.

5 (4) To limit enrollment of persons who qualify for subsidies so as  
6 to prevent an overexpenditure of appropriations for such purposes.  
7 Whenever the administrator finds that there is danger of such an  
8 overexpenditure, the administrator shall close enrollment until the  
9 administrator finds the danger no longer exists.

10 (5) To limit the payment of subsidies to subsidized enrollees, as  
11 defined in RCW 70.47.020. The level of subsidy provided to persons who  
12 qualify may be based on the lowest cost plans, as defined by the  
13 administrator.

14 (6) To adopt a schedule for the orderly development of the delivery  
15 of services and availability of the plan to residents of the state,  
16 subject to the limitations contained in RCW 70.47.080 or any act  
17 appropriating funds for the plan.

18 (7) To solicit and accept applications from managed health care  
19 systems, as defined in this chapter, for inclusion as eligible basic  
20 health care providers under the plan. The administrator shall endeavor  
21 to assure that covered basic health care services are available to any  
22 enrollee of the plan from among a selection of two or more  
23 participating managed health care systems. In adopting any rules or  
24 procedures applicable to managed health care systems and in its  
25 dealings with such systems, the administrator shall consider and make  
26 suitable allowance for the need for health care services and the  
27 differences in local availability of health care resources, along with  
28 other resources, within and among the several areas of the state.  
29 Contracts with participating managed health care systems shall ensure  
30 that basic health plan enrollees who become eligible for medical  
31 assistance may, at their option, continue to receive services from  
32 their existing providers within the managed health care system if such  
33 providers have entered into provider agreements with the department of  
34 social and health services.

35 (8) To receive periodic premiums from or on behalf of subsidized  
36 and nonsubsidized enrollees, deposit them in the basic health plan  
37 operating account, keep records of enrollee status, and authorize  
38 periodic payments to managed health care systems on the basis of the

1 number of enrollees participating in the respective managed health care  
2 systems.

3 (9) To accept applications from individuals residing in areas  
4 served by the plan, on behalf of themselves and their spouses and  
5 dependent children, for enrollment in the Washington basic health plan  
6 as subsidized or nonsubsidized enrollees, to establish appropriate  
7 minimum-enrollment periods for enrollees as may be necessary, and to  
8 determine, upon application and on a reasonable schedule defined by the  
9 authority, or at the request of any enrollee, eligibility due to  
10 current gross family income for sliding scale premiums. Funds received  
11 by a family as part of participation in the adoption support program  
12 authorized under RCW 26.33.320 and 74.13.100 through 74.13.145 shall  
13 not be counted toward a family's current gross family income for the  
14 purposes of this chapter. No subsidy may be paid with respect to any  
15 enrollee whose current gross family income exceeds twice the federal  
16 poverty level or, subject to RCW 70.47.110, who is a recipient of  
17 medical assistance or medical care services under chapter 74.09 RCW.  
18 If, as a result of an eligibility review, the administrator determines  
19 that a subsidized enrollee's income exceeds twice the federal poverty  
20 level and that the enrollee knowingly failed to inform the plan of such  
21 increase in income, the administrator may bill the enrollee for the  
22 subsidy paid on the enrollee's behalf during the period of time that  
23 the enrollee's income exceeded twice the federal poverty level. If a  
24 number of enrollees drop their enrollment for no apparent good cause,  
25 the administrator may establish appropriate rules or requirements that  
26 are applicable to such individuals before they will be allowed to  
27 reenroll in the plan.

28 (10) To accept applications from business owners on behalf of  
29 themselves and their employees, spouses, and dependent children, as  
30 subsidized or nonsubsidized enrollees, who reside in an area served by  
31 the plan. The administrator may require all or the substantial  
32 majority of the eligible employees of such businesses to enroll in the  
33 plan and establish those procedures necessary to facilitate the orderly  
34 enrollment of groups in the plan and into a managed health care system.  
35 The administrator may require that a business owner pay at least an  
36 amount equal to what the employee pays after the state pays its portion  
37 of the subsidized premium cost of the plan on behalf of each employee  
38 enrolled in the plan. Enrollment is limited to those not eligible for  
39 medicare who wish to enroll in the plan and choose to obtain the basic

1 health care coverage and services from a managed care system  
2 participating in the plan. The administrator shall adjust the amount  
3 determined to be due on behalf of or from all such enrollees whenever  
4 the amount negotiated by the administrator with the participating  
5 managed health care system or systems is modified or the administrative  
6 cost of providing the plan to such enrollees changes.

7 (11) To determine the rate to be paid to each participating managed  
8 health care system in return for the provision of covered basic health  
9 care services to enrollees in the system. Although the schedule of  
10 covered basic health care services will be the same for similar  
11 enrollees, the rates negotiated with participating managed health care  
12 systems may vary among the systems. In negotiating rates with  
13 participating systems, the administrator shall consider the  
14 characteristics of the populations served by the respective systems,  
15 economic circumstances of the local area, the need to conserve the  
16 resources of the basic health plan trust account, and other factors the  
17 administrator finds relevant.

18 (12) To monitor the provision of covered services to enrollees by  
19 participating managed health care systems in order to assure enrollee  
20 access to good quality basic health care, to require periodic data  
21 reports concerning the utilization of health care services rendered to  
22 enrollees in order to provide adequate information for evaluation, and  
23 to inspect the books and records of participating managed health care  
24 systems to assure compliance with the purposes of this chapter. In  
25 requiring reports from participating managed health care systems,  
26 including data on services rendered enrollees, the administrator shall  
27 endeavor to minimize costs, both to the managed health care systems and  
28 to the plan. The administrator shall coordinate any such reporting  
29 requirements with other state agencies, such as the insurance  
30 commissioner and the department of health, to minimize duplication of  
31 effort.

32 (13) To evaluate the effects this chapter has on private employer-  
33 based health care coverage and to take appropriate measures consistent  
34 with state and federal statutes that will discourage the reduction of  
35 such coverage in the state.

36 (14) To develop a program of proven preventive health measures and  
37 to integrate it into the plan wherever possible and consistent with  
38 this chapter.

1 (15) To provide, consistent with available funding, assistance for  
2 rural residents, underserved populations, and persons of color.

3 (16) In consultation with appropriate state and local government  
4 agencies, to establish criteria defining eligibility for persons  
5 confined or residing in government-operated institutions."

6 Renumber the remaining sections consecutively and correct any  
7 internal references accordingly.

8 **SHB 2556** - S AMD TO HSC COMM AMD (S5084.1) - 867  
9 By Senators A. Anderson, Long, Hargrove and Franklin

10 ADOPTED 3/5/98

11 On page 27, line 21 of the title amendment, after "26.44.020,"  
12 strike "and" and on page 27, line 22 of the title amendment, after  
13 "74.13.031" insert ", and 70.47.060"

--- END ---