HOUSE BILL 2018

State of Washington 58th Legislature 2003 Regular Session

By Representatives Cody, Morrell, Santos, Darneille and Edwards

Read first time 02/19/2003. Referred to Committee on Health Care.

1 AN ACT Relating to the Washington state health insurance pool; and
2 amending RCW 48.41.100 and 48.41.110.

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

4 **Sec. 1.** RCW 48.41.100 and 2001 c 196 s 3 are each amended to read
5 as follows:
6 (1) The following persons who are residents of this state are
7 eligible for pool coverage:
8 (a) Any person who provides evidence of a carrier's decision not to
9 accept him or her for enrollment in an individual health benefit plan
10 as defined in RCW 48.43.005 based upon, and within ninety days of the
11 receipt of, the results of the standard health questionnaire designated
12 by the board and administered by health carriers under RCW 48.43.018;
13 (b) Any person who continues to be eligible for pool coverage based
14 upon the results of the standard health questionnaire designated by the
15 board and administered by the pool administrator pursuant to subsection
16 (3) of this section;
17 (c) Any person who resides in a county of the state where no
18 carrier or insurer eligible under chapter 48.15 RCW offers to the

public an individual health benefit plan other than a catastrophic health plan as defined in RCW 48.43.005 at the time of application to the pool, and who makes direct application to the pool; ((~~and~~))

(d) Any medicare eligible person upon providing evidence of rejection for medical reasons, a requirement of restrictive riders, an up-rated premium, or a preexisting conditions limitation on a medicare supplemental insurance policy under chapter 48.66 RCW, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk by at least one member within six months of the date of application;

(e) Any eligible individual as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 33gg-41(b)); and

(f) Any person who has been certified as eligible for federal trade adjustment assistance or for pension benefit guarantee corporation assistance, as provided by the federal trade adjustment assistance reform act of 2002.

(2) The following persons are not eligible for coverage by the pool:

(a) Any person having terminated coverage in the pool unless (i) twelve months have lapsed since termination, or (ii) that person can show continuous other coverage which has been involuntarily terminated for any reason other than nonpayment of premiums. However, these exclusions do not apply to eligible individuals as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b));

(b) Any person on whose behalf the pool has paid out one million dollars in benefits;

(c) Inmates of public institutions and persons whose benefits are duplicated under public programs. However, these exclusions do not apply to eligible individuals as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b));

(d) Any person who resides in a county of the state where any carrier or insurer regulated under chapter 48.15 RCW offers to the public an individual health benefit plan other than a catastrophic health plan as defined in RCW 48.43.005 at the time of application to the pool and who does not qualify for pool coverage based upon the

results of the standard health questionnaire, or pursuant to subsection (1)(d) of this section. However, these exclusions do not apply to eligible individuals as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b)).

(3) When a carrier or insurer regulated under chapter 48.15 RCW begins to offer an individual health benefit plan in a county where no carrier had been offering an individual health benefit plan:

(a) If the health benefit plan offered is other than a catastrophic health plan as defined in RCW 48.43.005, any person enrolled in a pool plan pursuant to subsection (1)(c) of this section in that county shall no longer be eligible for coverage under that plan pursuant to subsection (1)(c) of this section, but may continue to be eligible for pool coverage based upon the results of the standard health questionnaire designated by the board and administered by the pool administrator. The pool administrator shall offer to administer the questionnaire to each person no longer eligible for coverage under subsection (1)(c) of this section within thirty days of determining that he or she is no longer eligible;

(b) Losing eligibility for pool coverage under this subsection (3) does not affect a person's eligibility for pool coverage under subsection (1)(a), (b), ((or)) (d), (e), or (f) of this section; and

(c) The pool administrator shall provide written notice to any person who is no longer eligible for coverage under a pool plan under this subsection (3) within thirty days of the administrator's determination that the person is no longer eligible. The notice shall: (i) Indicate that coverage under the plan will cease ninety days from the date that the notice is dated; (ii) describe any other coverage options, either in or outside of the pool, available to the person; (iii) describe the procedures for the administration of the standard health questionnaire to determine the person's continued eligibility for coverage under subsection (1)(b) of this section; and (iv) describe the enrollment process for the available options outside of the pool.

Sec. 2. RCW 48.41.110 and 2001 c 196 s 4 are each amended to read as follows:

(1) The pool shall offer one or more care management plans of coverage. Such plans may, but are not required to, include point of

service features that permit participants to receive in-network benefits or out-of-network benefits subject to differential cost shares. Covered persons enrolled in the pool on January 1, 2001, may continue coverage under the pool plan in which they are enrolled on that date. However, the pool may incorporate managed care features into such existing plans.

(2) The administrator shall prepare a brochure outlining the benefits and exclusions of the pool policy in plain language. After approval by the board, such brochure shall be made reasonably available to participants or potential participants.

(3) The health insurance policy issued by the pool shall pay only reasonable amounts for medically necessary eligible health care services rendered or furnished for the diagnosis or treatment of illnesses, injuries, and conditions which are not otherwise limited or excluded. Eligible expenses are the reasonable amounts for the health care services and items for which benefits are extended under the pool policy. Such benefits shall at minimum include, but not be limited to, the following services or related items:

(a) Hospital services, including charges for the most common semiprivate room, for the most common private room if semiprivate rooms do not exist in the health care facility, or for the private room if medically necessary, but limited to a total of one hundred eighty inpatient days in a calendar year, and limited to thirty days inpatient care for mental and nervous conditions, or alcohol, drug, or chemical dependency or abuse per calendar year;

(b) Professional services including surgery for the treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a health care provider, or at the direction of a health care provider, by a staff of registered or licensed practical nurses, or other health care providers;

(c) The first twenty outpatient professional visits for the diagnosis or treatment of one or more mental or nervous conditions or alcohol, drug, or chemical dependency or abuse rendered during a calendar year by one or more physicians, psychologists, or community mental health professionals, or, at the direction of a physician, by other qualified licensed health care practitioners, in the case of mental or nervous conditions, and rendered by a state certified

1 chemical dependency program approved under chapter 70.96A RCW, in the
2 case of alcohol, drug, or chemical dependency or abuse;
3 (d) Drugs and contraceptive devices requiring a prescription;
4 (e) Services of a skilled nursing facility, excluding custodial and
5 convalescent care, for not more than one hundred days in a calendar
6 year as prescribed by a physician;
7 (f) Services of a home health agency;
8 (g) Chemotherapy, radioisotope, radiation, and nuclear medicine
9 therapy;
10 (h) Oxygen;
11 (i) Anesthesia services;
12 (j) Prostheses, other than dental;
13 (k) Durable medical equipment which has no personal use in the
14 absence of the condition for which prescribed;
15 (l) Diagnostic x-rays and laboratory tests;
16 (m) Oral surgery limited to the following: Fractures of facial
17 bones; excisions of mandibular joints, lesions of the mouth, lip, or
18 tongue, tumors, or cysts excluding treatment for temporomandibular
19 joints; incision of accessory sinuses, mouth salivary glands or ducts;
20 dislocations of the jaw; plastic reconstruction or repair of traumatic
21 injuries occurring while covered under the pool; and excision of
22 impacted wisdom teeth;
23 (n) Maternity care services;
24 (o) Services of a physical therapist and services of a speech
25 therapist;
26 (p) Hospice services;
27 (q) Professional ambulance service to the nearest health care
28 facility qualified to treat the illness or injury; and
29 (r) Other medical equipment, services, or supplies required by
30 physician's orders and medically necessary and consistent with the
31 diagnosis, treatment, and condition.
32 (4) The board shall design and employ cost containment measures and
33 requirements such as, but not limited to, care coordination, provider
34 network limitations, preadmission certification, and concurrent
35 inpatient review which may make the pool more cost-effective.
36 (5) The pool benefit policy may contain benefit limitations,
37 exceptions, and cost shares such as copayments, coinsurance, and
38 deductibles that are consistent with managed care products, except that

1 differential cost shares may be adopted by the board for nonnetwork
2 providers under point of service plans. The pool benefit policy cost
3 shares and limitations must be consistent with those that are generally
4 included in health plans approved by the insurance commissioner;
5 however, no limitation, exception, or reduction may be used that would
6 exclude coverage for any disease, illness, or injury.

7 (6) The pool may not reject an individual for health plan coverage
8 based upon preexisting conditions of the individual or deny, exclude,
9 or otherwise limit coverage for an individual's preexisting health
10 conditions; except that it shall impose a six-month benefit waiting
11 period for preexisting conditions for which medical advice was given,
12 for which a health care provider recommended or provided treatment, or
13 for which a prudent layperson would have sought advice or treatment,
14 within six months before the effective date of coverage. The
15 preexisting condition waiting period shall not apply to prenatal care
16 services. The pool may not avoid the requirements of this section
17 through the creation of a new rate classification or the modification
18 of an existing rate classification. Credit against the waiting period
19 shall be as provided in subsection (7) of this section.

20 (7)(a) Except as provided in (b) of this subsection, the pool shall
21 credit any preexisting condition waiting period in its plans for a
22 person who was enrolled at any time during the sixty-three day period
23 immediately preceding the date of application for the new pool plan.
24 For the person previously enrolled in a group health benefit plan, the
25 pool must credit the aggregate of all periods of preceding coverage not
26 separated by more than sixty-three days toward the waiting period of
27 the new health plan. For the person previously enrolled in an
28 individual health benefit plan other than a catastrophic health plan,
29 the pool must credit the period of coverage the person was continuously
30 covered under the immediately preceding health plan toward the waiting
31 period of the new health plan. For the purposes of this subsection, a
32 preceding health plan includes an employer-provided self-funded health
33 plan.

34 (b) The pool shall waive any preexisting condition waiting period
35 for a person who is an eligible individual as defined in section
36 2741(b) of the federal health insurance portability and accountability
37 act of 1996 (42 U.S.C. 300gg-41(b)).

1 (c) The pool shall waive any preexisting condition waiting period
2 for a person who is a qualifying individual as provided by the federal
3 trade adjustment assistance reform act of 2002.

4 (8) If an application is made for the pool policy as a result of
5 rejection by a carrier, then the date of application to the carrier,
6 rather than to the pool, should govern for purposes of determining
7 preexisting condition credit.

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