

SHB 2408 - H AMD 1056

By Representative Cody

ADOPTED 02/14/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) Access to health care is fundamental to the health and safety
5 of the citizens of Washington state;

6 (b) Health insurance coverage is necessary for most people to
7 access health care;

8 (c) Due to uncertainty in the health insurance marketplace,
9 volatility in the current federal regulatory environment, and rising
10 health care costs, ensuring access to the private health insurance
11 market in every county in Washington state is becoming more
12 difficult;

13 (d) The consequences of losing private health insurance coverage
14 in a county would be catastrophic, leading to deteriorating health
15 outcomes, lost productivity, and lower quality of life; and

16 (e) If the private market fails to provide coverage in a county,
17 the state must intervene.

18 (2) The legislature therefore intends to:

19 (a) Leverage the provider networks used by private insurers
20 offering coverage to state and school employees to ensure private
21 insurance coverage is available in all counties where those insurers
22 offer coverage to state and school employees; and

23 (b) Until such coverage is available, allow persons residing in
24 counties where no private insurance is available to purchase health
25 coverage outside their counties of residence.

26 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.05
27 RCW to read as follows:

28 (1) For plan years beginning January 1, 2020, a health carrier
29 must offer in the exchange at least one silver and one gold qualified
30 health plan in any county in which it offers a fully insured health
31 plan that was approved, on or after the effective date of this
32 section, by the school employees' benefits board or the public

1 employees' benefits board to be offered to employees and their
2 covered dependents under this chapter.

3 (2) The rates for a health plan approved by the school employees'
4 benefits board or the public employees' benefits board may not
5 include the administrative costs or actuarial risks associated with a
6 qualified health plan offered under subsection (1) of this section.

7 (3) The authority shall perform an actuarial review during the
8 annual rate setting process for plans approved by the school
9 employees' benefits board or the public employees' benefits board to
10 ensure compliance with subsection (2) of this section.

11 (4) For purposes of this section, "exchange" and "health carrier"
12 have the same meaning as in RCW 48.43.005.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.43
14 RCW to read as follows:

15 (1) A health carrier shall allow an individual to purchase an
16 individual market health plan offered by the carrier outside of the
17 individual's county of residence if:

18 (a) There are no individual health plans, other than catastrophic
19 plans, offered within the individual's county of residence; and

20 (b) The individual's county of residence is in the same
21 geographic rating area as the health plan he or she is purchasing.

22 (2) When evaluating the adequacy of the provider networks in a
23 county where a health carrier is required to offer plans under this
24 section to enrollees who are not residents of that county, if the
25 carrier did not participate in the individual market in 2018 in that
26 county, the commissioner shall take into account the availability of
27 telemedicine services and shall consider all reasonable requests to
28 allow the health carrier to deliver services using all access points
29 in the neighboring counties.

30 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.71
31 RCW to read as follows:

32 The exchange shall allow an individual to purchase a qualified
33 health plan being offered outside his or her county residence as
34 provided in section 3 of this act.

35 **Sec. 5.** RCW 48.41.100 and 2017 c 110 s 2 are each amended to
36 read as follows:

1 (1)(a) The following persons who are residents of this state are
2 eligible for pool coverage:

3 (i) Any resident of the state not eligible for medicare coverage
4 or medicaid coverage(~~(, and residing)~~) who:

5 (A) Resides in a county where an individual health plan other
6 than a catastrophic health plan as defined in RCW 48.43.005 is not
7 offered to the resident during defined open enrollment or special
8 enrollment periods at the time of application to the pool, whether
9 through the health benefit exchange operated pursuant to chapter
10 43.71 RCW or in the private insurance market(~~(, and who)~~);

11 (B) Is not eligible to purchase a health plan in a county outside
12 of his or her county of residence under section 3 of this act; and

13 (C) Makes application to the pool for coverage prior to December
14 31, 2022;

15 (ii) Any resident of the state not eligible for medicare
16 coverage, enrolled in the pool prior to December 31, 2013, shall
17 remain eligible for pool coverage except as provided in subsections
18 (2) and (3) of this section through December 31, 2022;

19 (iii) Any person becoming eligible for medicare before August 1,
20 2009, who provides evidence of (A) a rejection for medical reasons,
21 (B) a requirement of restrictive riders, (C) an up-rated premium, (D)
22 a preexisting conditions limitation, or (E) lack of access to or for
23 a comprehensive medicare supplemental insurance policy under chapter
24 48.66 RCW, the effect of any of which is to substantially reduce
25 coverage from that received by a person considered a standard risk by
26 at least one member within six months of the date of application; and

27 (iv) Any person becoming eligible for medicare on or after August
28 1, 2009, who does not have access to a reasonable choice of
29 comprehensive medicare part C plans, as defined in (b) of this
30 subsection, and who provides evidence of (A) a rejection for medical
31 reasons, (B) a requirement of restrictive riders, (C) an up-rated
32 premium, (D) a preexisting conditions limitation, or (E) lack of
33 access to or for a comprehensive medicare supplemental insurance
34 policy under chapter 48.66 RCW, the effect of any of which is to
35 substantially reduce coverage from that received by a person
36 considered a standard risk by at least one member within six months
37 of the date of application.

38 (b) For purposes of (a)(i) of this subsection, by December 1,
39 2013, the board shall develop and implement a process to determine an

1 applicant's eligibility based on the criteria specified in (a)(i) of
2 this subsection.

3 (c) For purposes of (a)(iv) of this subsection (1), a person does
4 not have access to a reasonable choice of plans unless the person has
5 a choice of health maintenance organization or preferred provider
6 organization medicare part C plans offered by at least three
7 different carriers that have had provider networks in the person's
8 county of residence for at least five years. The plan options must
9 include coverage at least as comprehensive as a plan F medicare
10 supplement plan combined with medicare parts A and B. The plan
11 options must also provide access to adequate and stable provider
12 networks that make up-to-date provider directories easily accessible
13 on the carrier web site, and will provide them in hard copy, if
14 requested. In addition, if no health maintenance organization or
15 preferred provider organization plan includes the health care
16 provider with whom the person has an established care relationship
17 and from whom he or she has received treatment within the past twelve
18 months, the person does not have reasonable access.

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

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

28 (b) Inmates of public institutions and those persons who become
29 eligible for medical assistance after June 30, 2008, as defined in
30 RCW 74.09.010. However, these exclusions do not apply to eligible
31 individuals as defined in section 2741(b) of the federal health
32 insurance portability and accountability act of 1996 (42 U.S.C. Sec.
33 300gg-41(b)).

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

37 (a) If the health benefit plan offered is other than a
38 catastrophic health plan as defined in RCW 48.43.005, any person
39 enrolled in a pool plan pursuant to subsection (1)(a)(i) of this

1 section in that county shall no longer be eligible for coverage under
2 that plan pursuant to subsection (1)(a)(i) of this section; and

3 (b) The pool administrator shall provide written notice to any
4 person who is no longer eligible for coverage under a pool plan under
5 this subsection (3) within thirty days of the administrator's
6 determination that the person is no longer eligible. The notice
7 shall: (i) Indicate that coverage under the plan will cease ninety
8 days from the date that the notice is dated; (ii) describe any other
9 coverage options, either in or outside of the pool, available to the
10 person; and (iii) describe the enrollment process for the available
11 options outside of the pool.

12 NEW SECTION. **Sec. 6.** Sections 3 through 5 of this act expire
13 December 31, 2019.

14 NEW SECTION. **Sec. 7.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected."

EFFECT: Requires a health carrier to offer silver and gold qualified health plans in counties where it offers a health plan approved by either the School Employees' Benefits Board (SEBB) or the Public Employees' Benefits Board (PEBB), instead of only the SEBB. Prohibits the rates for health plans approved by the PEBB or the SEBB from including the administrative costs or actuarial risks associated with a qualified health plan offered by the carrier and requires the Health Care Authority to perform annual actuarial reviews to ensure compliance with the prohibition. Removes the premium reductions for enrollees in the Washington Health Insurance Pool in counties where there is no other individual market coverage available. Requires, until December 31, 2019, a health carrier to allow an individual to purchase an individual market health plan outside of his or her county of residence under the following circumstances: (1) There are no individual market health plans available in the individual's county of residence and (2) the health plan is offered in the same geographic rating area as the individual's county of residence. Requires, until December 31, 2019, the Health Benefit Exchange to allow an individual to purchase a qualified health plan being offered outside his or her county of residence under the same circumstances. Requires, until December 31, 2019, the Insurance Commissioner to take into account the availability of telemedicine services and consider all reasonable requests to allow the delivery of services using all access points in neighboring counties when evaluating the adequacy of the provider networks of a health plan that has enrollees who do not reside in the county in which the health plan is offered if the carrier did not participate in the individual market in 2018 in that county. Makes, until December 31, 2019, an individual eligible to purchase a health plan outside of his or her county of residence

ineligible for coverage by the Washington State Health Insurance Pool (WSHIP). Adds a severability clause.

--- END ---