
SENATE BILL 6434

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By Senators Stratton, Snyder, Talmadge, M. Kreidler and Pelz

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1 AN ACT Relating to basic health plan coverage for foster parents;
2 amending RCW 70.47.020; reenacting and amending RCW 70.47.060; adding
3 a new section to chapter 70.47 RCW; and making an appropriation.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 70.47 RCW
6 to read as follows:

7 A foster parent licensed in accordance with chapter 74.15 RCW and
8 in good standing with the department of social and health services is
9 eligible to enroll in the basic health plan, wholly subsidized from
10 funds appropriated from the basic health plan account for this purpose.
11 Enrollees under this section shall not count against any enrollment lid
12 or ceiling. The administrator shall prioritize making the plan
13 available under this section to foster parent applicants and enrollees.

1 **Sec. 2.** RCW 70.47.020 and 1987 1st ex.s. c 5 s 4 are each amended
2 to read as follows:

3 As used in this chapter:

4 (1) "Washington basic health plan" or "plan" means the system of
5 enrollment and payment on a prepaid capitated basis for basic health
6 care services, administered by the plan administrator through
7 participating managed health care systems, created by this chapter.

8 (2) "Administrator" means the Washington basic health plan
9 administrator.

10 (3) "Managed health care system" means any health care
11 organization, including health care providers, insurers, health care
12 service contractors, health maintenance organizations, or any
13 combination thereof, that provides directly or by contract basic health
14 care services, as defined by the administrator and rendered by duly
15 licensed providers, on a prepaid capitated basis to a defined patient
16 population enrolled in the plan and in the managed health care system.

17 (4) "Enrollee" means an individual, or an individual plus the
18 individual's spouse and/or dependent children, all under the age of
19 sixty-five and not otherwise eligible for medicare, who resides in an
20 area of the state served by a managed health care system participating
21 in the plan, whose gross family income at the time of enrollment does
22 not exceed twice the federal poverty level as adjusted for family size
23 and determined annually by the federal department of health and human
24 services, who chooses to obtain basic health care coverage from a
25 particular managed health care system in return for periodic payments
26 to the plan. "Enrollee" includes foster parents covered under section
27 1 of this act.

28 (5) "Subsidy" means the difference between the amount of periodic
29 payment the administrator makes, from funds appropriated from the basic
30 health plan trust account, to a managed health care system on behalf of

1 an enrollee and the amount determined to be the enrollee's
2 responsibility under RCW 70.47.060(2).

3 (6) "Premium" means a periodic payment, based upon gross family
4 income and determined under RCW 70.47.060(2), which an enrollee makes
5 to the plan as consideration for enrollment in the plan.

6 (7) "Rate" means the per capita amount, negotiated by the
7 administrator with and paid to a participating managed health care
8 system, that is based upon the enrollment of enrollees in the plan and
9 in that system.

10 **Sec. 3.** RCW 70.47.060 and 1991 sp.s. c 4 s 2 and 1991 c 3 s 339
11 are each reenacted and amended to read as follows:

12 The administrator has the following powers and duties:

13 (1) To design and from time to time revise a schedule of covered
14 basic health care services, including physician services, inpatient and
15 outpatient hospital services, and other services that may be necessary
16 for basic health care, which enrollees in any participating managed
17 health care system under the Washington basic health plan shall be
18 entitled to receive in return for premium payments to the plan. The
19 schedule of services shall emphasize proven preventive and primary
20 health care, shall include all services necessary for prenatal,
21 postnatal, and well-child care, and shall include a separate schedule
22 of basic health care services for children, eighteen years of age and
23 younger, for those enrollees who choose to secure basic coverage
24 through the plan only for their dependent children. In designing and
25 revising the schedule of services, the administrator shall consider the
26 guidelines for assessing health services under the mandated benefits
27 act of 1984, RCW 48.42.080, and such other factors as the administrator
28 deems appropriate.

1 (2) To design and implement a structure of periodic premiums due
2 the administrator from enrollees that is based upon gross family
3 income, giving appropriate consideration to family size as well as the
4 ages of all family members. The enrollment of children shall not
5 require the enrollment of their parent or parents who are eligible for
6 the plan.

7 (3) To design and implement a structure of nominal copayments due
8 a managed health care system from enrollees. The structure shall
9 discourage inappropriate enrollee utilization of health care services,
10 but shall not be so costly to enrollees as to constitute a barrier to
11 appropriate utilization of necessary health care services.

12 (4) To design and implement, in concert with a sufficient number of
13 potential providers in a discrete area, an enrollee financial
14 participation structure, separate from that otherwise established under
15 this chapter, that has the following characteristics:

16 (a) Nominal premiums that are based upon ability to pay, but not
17 set at a level that would discourage enrollment;

18 (b) A modified fee-for-services payment schedule for providers;

19 (c) Coinsurance rates that are established based on specific
20 service and procedure costs and the enrollee's ability to pay for the
21 care. However, coinsurance rates for families with incomes below one
22 hundred twenty percent of the federal poverty level shall be nominal.
23 No coinsurance shall be required for specific proven prevention
24 programs, such as prenatal care. The coinsurance rate levels shall not
25 have a measurable negative effect upon the enrollee's health status;
26 and

27 (d) A case management system that fosters a provider-enrollee
28 relationship whereby, in an effort to control cost, maintain or improve
29 the health status of the enrollee, and maximize patient involvement in
30 her or his health care decision-making process, every effort is made by

1 the provider to inform the enrollee of the cost of the specific
2 services and procedures and related health benefits.

3 The potential financial liability of the plan to any such providers
4 shall not exceed in the aggregate an amount greater than that which
5 might otherwise have been incurred by the plan on the basis of the
6 number of enrollees multiplied by the average of the prepaid capitated
7 rates negotiated with participating managed health care systems under
8 RCW 70.47.100 and reduced by any sums charged enrollees on the basis of
9 the coinsurance rates that are established under this subsection.

10 (5) To limit enrollment of persons who qualify for subsidies so as
11 to prevent an overexpenditure of appropriations for such purposes.
12 Whenever the administrator finds that there is danger of such an
13 overexpenditure, the administrator shall close enrollment until the
14 administrator finds the danger no longer exists.

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

18 In the selection of any area of the state for the initial operation
19 of the plan, the administrator shall take into account the levels and
20 rates of unemployment in different areas of the state, the need to
21 provide basic health care coverage to a population reasonably
22 representative of the portion of the state's population that lacks such
23 coverage, and the need for geographic, demographic, and economic
24 diversity.

25 Before July 1, 1988, the administrator shall endeavor to secure
26 participation contracts with managed health care systems in discrete
27 geographic areas within at least five congressional districts.

28 (7) To solicit and accept applications from managed health care
29 systems, as defined in this chapter, for inclusion as eligible basic
30 health care providers under the plan. The administrator shall endeavor

1 to assure that covered basic health care services are available to any
2 enrollee of the plan from among a selection of two or more
3 participating managed health care systems. In adopting any rules or
4 procedures applicable to managed health care systems and in its
5 dealings with such systems, the administrator shall consider and make
6 suitable allowance for the need for health care services and the
7 differences in local availability of health care resources, along with
8 other resources, within and among the several areas of the state.

9 (8) To receive periodic premiums from enrollees, deposit them in
10 the basic health plan operating account, keep records of enrollee
11 status, and authorize periodic payments to managed health care systems
12 on the basis of the number of enrollees participating in the respective
13 managed health care systems.

14 (9) To accept applications from individuals residing in areas
15 served by the plan, on behalf of themselves and their spouses and
16 dependent children, for enrollment in the Washington basic health plan,
17 to establish appropriate minimum-enrollment periods for enrollees as
18 may be necessary, and to determine, upon application and at least
19 annually thereafter, or at the request of any enrollee, eligibility due
20 to current gross family income for sliding scale premiums. An enrollee
21 who remains current in payment of the sliding-scale premium, as
22 determined under subsection (2) of this section, and whose gross family
23 income has risen above twice the federal poverty level, may continue
24 enrollment unless and until the enrollee's gross family income has
25 remained above twice the poverty level for six consecutive months, by
26 making payment at the unsubsidized rate required for the managed health
27 care system in which he or she may be enrolled. Except as provided in
28 section 1 of this act, no subsidy may be paid with respect to any
29 enrollee whose current gross family income exceeds twice the federal
30 poverty level or, subject to RCW 70.47.110, who is a recipient of

1 medical assistance or medical care services under chapter 74.09 RCW.
2 If a number of enrollees drop their enrollment for no apparent good
3 cause, the administrator may establish appropriate rules or
4 requirements that are applicable to such individuals before they will
5 be allowed to re-enroll in the plan.

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

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

1 (12) To monitor the access that state residents have to adequate
2 and necessary health care services, determine the extent of any unmet
3 needs for such services or lack of access that may exist from time to
4 time, and make such reports and recommendations to the legislature as
5 the administrator deems appropriate.

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

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

13 (15) To provide, consistent with available resources, technical
14 assistance for rural health activities that endeavor to develop needed
15 health care services in rural parts of the state.

16 NEW SECTION. **Sec. 4.** The sum of dollars, or as
17 much thereof as may be necessary, is appropriated for the biennium
18 ending June 30, 1993, from the basic health plan account to the basic
19 health plan for the purposes of section 1 of this act.