

1 5304-S2 AMS MCDO S1403.9

2 **2SSB 5304** - S AMD 000166-.1-.2-.3

3 By Senator McDonald

4 WITHDRAWN 3/12/93

5 On page 26, line 28, after "insurance" insert ", medical care
6 savings account,"

7 On page 26, line 32, after "dependents." insert "All participants
8 shall have a choice of purchasing an employee benefit plan or a medical
9 care savings account.

10 (2)(a) The state employees' benefits board shall purchase a major
11 medical policy equal in amount to the total amount currently paid for
12 the employee's benefit plan and direct deposit the remaining funds into
13 the employee's medical care savings account created by the state.
14 These funds must be used by the employee for the sole purpose of health
15 care expenditures. The major medical policy shall have a three
16 thousand dollar deductible, which shall increase by the federal medical
17 inflation price index published by the health care financing
18 administration. At the beginning of each calendar year, the state
19 shall renew the major medical policy and direct deposit the remaining
20 funds into the employee's medical care savings account. When more than
21 fifty percent of all employees are participating in the medical care
22 savings account, the board will recommend methods to increase future
23 participation in medical care savings accounts, up to one hundred
24 percent. When federal laws permit, the individual may deposit
25 remaining funds from the medical care savings account into the
26 individual's federal tax-exempt individual retirement account. For the
27 purposes of this subsection, "medical care savings account" means a
28 trust created or organized in the United States for the exclusive
29 health care benefit of an individual, the individual's spouse, or the
30 individual's dependents.

31 (b) The qualified differential premium differential amount for an
32 employee is equal to:

33 (i) The premium differential amount realized by the employer in the
34 plan year in which the employee elects coverage under a qualified
35 higher deductible health plan; and

1 (ii) For each subsequent plan year during which such election
2 remains in effect, the amount determined increased by an amount equal
3 to:

4 (A) Such a dollar amount, multiplied by,

5 (B) The federal medical inflation price index as published by the
6 health care financing administration for the calendar year in which the
7 plan year begins, by substituting the calendar year in which the plan
8 year began."

9 On page 26, line 33, strike "(2)" and insert "((+2)) (3)"

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13 On page 27, line 20, after "plans" insert ". Participants who
14 purchase a medical care savings account under RCW 41.05.065 are not
15 required to purchase an employee health benefit plan"

16 On page 27, line 21, strike "(3)" and insert "((+3)) (4)"

17 On page 27, line 24, strike "(4)" and insert "((+4)) (5)"

18 On page 27, line 35, strike "(5)" and insert "((+5)) (6)"

19 On page 27, line 37, strike "(6)" and insert "((+6)) (7)"

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23 On page 28, line 6, strike "(7)" and insert "(8)"

24 On page 28, after line 15, insert the following:

25 "NEW SECTION. Sec. 223. A new section is added to Title 48 RCW to
26 read as follows:

27 The insurance commissioner shall establish for major medical/
28 individual retirement account plans under RCW 41.05.065, rules and

1 methods of oversight to prevent misuse of funds and establish
2 penalties. The insurance commissioner shall inform the state
3 employees' benefits board of the minimum requirements for participation
4 in the medical care savings account."

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

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4 On page 95, after line 17, insert the following:

5 "NEW SECTION. **Sec. 321.** MEDICAL CARE SAVINGS BENEFIT. Employees
6 or employers who purchase or participate in the purchase of a medical
7 care savings account, as approved by the commission by rule, are not
8 required to enroll in a certified health plan or provide coverage under
9 a certified health plan."

10 Renumber remaining sections consecutively and correct internal
11 references accordingly.

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