

5 On page 4, strike all of line 1, and insert the following:

6 **"PART I. VOLUNTARY FORMATION OF STATE-WIDE HEALTH**  
7 **INSURANCE PURCHASING POOL**

8 NEW SECTION. **Sec. 101.** A new section is added to Title 48 RCW to  
9 read as follows:

10 DEFINITION OF A BASIC HEALTH CARE BENEFIT PACKAGE. Carriers  
11 regulated under chapters 48.20, 48.21, 48.44, and 48.46 RCW may  
12 collectively design a basic health care benefit package. The health  
13 services in the benefit package shall not be less than those provided  
14 through the basic health plan under chapter 70.47 RCW. Each carrier  
15 shall submit a schedule of premiums periodically for the basic benefit  
16 package to the commissioner. The insurance commissioner shall review  
17 each carrier's schedule of premiums periodically to determine whether  
18 they are reasonable in relation to the basic benefit package. Only  
19 when the commissioner determines that rates are reasonable shall the  
20 carriers offer the basic benefit package.

21 NEW SECTION. **Sec. 102.** HEALTH INSURANCE REFORMS. Basic benefit  
22 plans authorized under section 101 of this act should be offered  
23 subject to the following provisions:

24 (1) Should not deny, exclude, or limit benefits for a covered  
25 individual for losses incurred more than six months following the  
26 effective date of the eligible individual's coverage due to a  
27 preexisting condition.

28 (2) Should not modify, decrease, exclude, or restrict benefits  
29 through riders, conditions, restrictions, endorsements, or otherwise,  
30 on the basis of sex, age, or health status or health condition of the  
31 eligible individual.

32 (3) Should not modify, decrease, or restrict coverage through  
33 riders, conditions, restrictions, endorsements, or otherwise, on the

1 basis of category of business trade, employment skill, or vocation or  
2 profession of the eligible individual.

3 (4) Should guarantee renewability of coverage except for nonpayment  
4 of premium unless the insurer has obtained the prior written approval  
5 of the commissioner who may, at his or her discretion, permit  
6 nonrenewal when renewal would impair the carrier's ability to perform  
7 its contractual duties.

8 (5) Entities offering health benefit plans should assume the full  
9 financial risk of providing the health benefit plan to all enrollees or  
10 participate in risk distribution methods authorized under section 103  
11 of this act.

12 NEW SECTION. **Sec. 103.** A new section is added to Title 48 RCW to  
13 read as follows:

14 **MEDICAL RISK DISTRIBUTION.** The insurance commissioner shall  
15 establish methods to assure the fair distribution of high medical risk  
16 enrollees among carriers subject to section 101 of this act or fair  
17 financial compensation for basic benefit plans that have a  
18 disproportionately large number of high medical risk enrollees. This  
19 shall be done in a manner to assure that costs associated with  
20 providing services to high medical risk enrollees is fairly distributed  
21 among the regulated carriers.

22 NEW SECTION. **Sec. 104.** A new section is added to Title 48 RCW to  
23 read as follows:

24 **INSURANCE COMMISSIONER AUTHORITY.** If the insurance commissioner  
25 determines that less than one hundred percent of the regulated carriers  
26 in the state have not complied with sections 101 through 103 of this  
27 act by July 1, 1995, the commissioner shall exercise duties and  
28 responsibilities under chapter ---, Laws of 1993 (this act).

29 NEW SECTION. **Sec. 105.** Sections 101 through 103 of this act are  
30 necessary for the immediate preservation of the public peace, health,  
31 or safety, or support of the state government and its existing public  
32 institutions, and shall take effect immediately.

33 NEW SECTION. **Sec. 106.** Sections 202 through 215, 229 through 252,  
34 271 through 283, 301 through 308, 317 through 339, 346 through 351, 354  
35 through 363, and 366 of this act shall take effect July 1, 1995, only

1 if the insurance commissioner determines and certifies to the governor  
2 that less than one hundred percent of the regulated carriers in the  
3 state have not complied with sections 101 through 103 of this act."

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

6 **2SSB 5304** - S AMD  
7 By Senator Moyer

8

9 On page 22, line 2, strike "1997" and insert "1999"

10 **2SSB 5304** - S AMD  
11 By Senator Moyer

12

13 On page 23, line 27, strike "1994" and insert "1996"

14 **2SSB 5304** - S AMD  
15 By Senator Moyer

16

17 On page 24, line 6, strike "1996" and insert "1998"

18 On page 24, line 27, strike "1996. On January 1, 1997" and insert  
19 "1998. On January 1, 1999"

20 **2SSB 5304** - S AMD  
21 By Senator Moyer

22

23 On page 25, line 36, strike "1996" and insert "1998"

24 **2SSB 5304** - S AMD  
25 By Senator Moyer

26

27 On page 26, line 7, strike "1997" and insert "1999"

1 **2SSB 5304** - S AMD  
2 By Senator Moyer

3

4 On page 27, line 16, strike "1995" and insert "1997"

5 On page 27, line 30, strike "1994" and insert "1996"

6 **2SSB 5304** - S AMD  
7 By Senator Moyer

8

9 On page 28, line 7, strike "1994" and insert "1996"

10 On page 28, line 26, strike "1994" and insert "1996"

11 **2SSB 5304** - S AMD  
12 By Senator Moyer

13

14 On page 30, line 6, strike "1995" and insert "1997"

15 **2SSB 5304** - S AMD  
16 By Senator Moyer

17

18 On page 31, line 28, strike "1994" and insert "1996"

19 On page 31, line 31, strike "1997" and insert "1999"

20 **2SSB 5304** - S AMD  
21 By Senator Moyer

22

23 On page 32, at the beginning of line 4, strike "1995" and insert  
24 "1997"

25 On page 32, line 4, after "than July" strike "1997" and insert  
26 "1999"

1 On page 32, line 36, strike "1997" and insert "1999"

2 **2SSB 5304** - S AMD  
3 By Senator Moyer

4

5 On page 63, beginning on line 2, strike all of section 271 and  
6 insert the following:

7 "**Sec. 271.** RCW 82.24.020 and 1989 c 271 s 504 are each amended to  
8 read as follows:

9 (1) There is levied and there shall be collected as hereinafter  
10 provided, a tax upon the sale, use, consumption, handling, possession  
11 or distribution of all cigarettes, in an amount equal to the rate of  
12 eleven and one-half mills per cigarette.

13 (2) Until July 1, 1995, an additional tax is imposed upon the sale,  
14 use, consumption, handling, possession, or distribution of all  
15 cigarettes, in an amount equal to the rate of one and one-half mills  
16 per cigarette. All revenues collected during any month from this  
17 additional tax shall be deposited in the drug enforcement and education  
18 account under RCW 69.50.520 by the twenty-fifth day of the following  
19 month.

20 (3) There is an additional tax imposed upon the sale, use,  
21 consumption, handling, possession, or distribution of all cigarettes,  
22 in an amount equal to ten cents per cigarette. All revenues collected  
23 from this additional tax shall be deposited in the basic health plan  
24 trust account to be used exclusively for the purposes of chapter 70.47  
25 RCW.

26 (4) Wholesalers and retailers subject to the payment of this tax  
27 may, if they wish, absorb one-half mill per cigarette of the tax and  
28 not pass it on to purchasers without being in violation of this section  
29 or any other act relating to the sale or taxation of cigarettes.

30 ((+4)) (5) For purposes of this chapter, "possession" shall mean  
31 both (a) physical possession by the purchaser and, (b) when cigarettes  
32 are being transported to or held for the purchaser or his designee by  
33 a person other than the purchaser, constructive possession by the  
34 purchaser or his designee, which constructive possession shall be  
35 deemed to occur at the location of the cigarettes being so transported  
36 or held.

1       **Sec. 272.** RCW 82.26.020 and 1983 2nd ex.s. c 3 s 16 are each  
2 amended to read as follows:

3       (1) From and after June 1, 1971, there is levied and there shall be  
4 collected a tax upon the sale, use, consumption, handling, or  
5 distribution of all tobacco products in this state at the rate of  
6 forty-five percent of the wholesale sales price of such tobacco  
7 products. Such tax shall be imposed at the time the distributor (a)  
8 brings, or causes to be brought, into this state from without the state  
9 tobacco products for sale, (b) makes, manufactures, or fabricates  
10 tobacco products in this state for sale in this state, or (c) ships or  
11 transports tobacco products to retailers in this state, to be sold by  
12 those retailers.

13       (2) An additional tax is imposed equal (~~to the rate specified in~~  
14 ~~RCW 82.02.030~~) seven percent multiplied by the tax payable under  
15 subsection (1) of this section.

16       (3) An additional tax is imposed equal to 381.80 percent of the  
17 wholesale sales price of tobacco products. Revenues collected under  
18 this subsection shall be deposited in the basic health plan trust  
19 account to be used exclusively for the purposes of chapter 70.47 RCW."

20       Renumber the remaining sections consecutively and correct internal  
21 references accordingly.

22 **2SSB 5304** - S AMD  
23       By Senator

24

25       On page 64, after line 24, strike all of section 273

26       Renumber the remaining sections consecutively and correct internal  
27 references accordingly.

28 **2SSB 5304** - S AMD  
29       By Senator Moyer

30

31       On page 66, line 5, after "June 30," strike "1995" and insert  
32 "1997"

33       On page 66, line 6, after "July 1," strike "1995" and insert "1997"

1 On page 66, line 6, after "June 30," strike "1997" and insert  
2 "1999"

3 **2SSB 5304** - S AMD  
4 By Senator Moyer

5

6 On page 67, line 24, strike "1995" and insert "1997"

7 On page 67, at the beginning of line 25, strike "1995" and insert  
8 "1997"

9 On page 67, line 25, strike "1997" and insert "1999"

10 **2SSB 5304** - S AMD  
11 By Senator Moyer

12

13 On page 68, line 26, strike "1995" and insert "1997"

14 On page 68, line 27, strike "1995" and insert "1997"

15 On page 68, at the beginning of line 33, strike "1995" and insert  
16 "1997"

17 On page 68, line 35, strike "1994" and insert "1996"

18 **2SSB 5304** - S AMD  
19 By Senator Moyer

20

21 On page 69, line 22, strike "1995" and insert "1997"

22 On page 69, line 23, strike "1995" and insert "1997"

23 On page 69, line 29, strike "1995" and insert "1997"

24 On page 69, line 31, strike "1994" and insert "1996"

1 **2SSB 5304** - S AMD  
2 By Senator Moyer

3  
4 On page 70, line 16, after "January 1," strike "1995" and insert  
5 "1997"

6 On page 70, line 16, after "December 31," strike "1995" and insert  
7 "1997"

8 On page 70, line 22, strike "1995" and insert "1997"

9 On page 70, line 25, strike "1994" and insert "1996"

10 **2SSB 5304** - S AMD  
11 By Senator Moyer

12  
13 On page 74, line 7, strike "1995" and insert "1997"

14 On page 74, line 32, strike "1995" and insert "1997"

15 **2SSB 5304** - S AMD  
16 By Senator Moyer

17  
18 On page 75, line 2, strike "1995" and insert "1997"

19 On page 75, line 4, strike "1995" and insert "1997"

20 On page 75, line 14, strike "1995" and insert "1997"

21 On page 75, line 18, strike "1995" and insert "1997"

22 On page 75, line 32, strike "1995" and insert "1997"

23 On page 75, line 38, strike "1995" and insert "1997"



1 **2SSB 5304** - S AMD  
2 By Senator Moyer

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4 On page 76, line 4, strike "1995" and insert "1997"

5 **2SSB 5304** - S AMD  
6 By Senator Moyer

7

8 On page 82, line 5, strike "1995" and insert "1997"

9 **2SSB 5304** - S AMD  
10 By Senator Moyer

11

12 On page 85, line 32, strike "1996" and insert "1998"

13 **2SSB 5304** - S AMD  
14 By Senator Moyer

15

16 On page 101, line 2, strike "1994" and insert "1996"

17 **2SSB 5304** - S AMD  
18 By Senator Moyer

19

20 On page 113, line 28, strike "1997" and insert "1999"

21 On page 113, line 35, strike "1995" and insert "1997"

22 **2SSB 5304** - S AMD  
23 By Senator Moyer

24

25 On page 114, line 13, strike "1995" and insert "1997"

26 On page 114, line 21, strike "1995" and insert "1997"

1 On page 114, line 26, strike "1996" and insert "1998"

2 On page 114, line 31, strike "1996" and insert "1998"

3 **2SSB 5304** - S AMD

4 By Senator Moyer

5

6 On page 115, line 3, strike "1997" and insert "1999"

7 On page 115, line 8, strike "1997" and insert "1999"

8 On page 115, line 15, strike "1998" and insert "2000"

9 **2SSB 5304** - S AMD

10 By Senator Moyer

11

12 On page 117, line 29, strike "1994" and insert "1996"

13 On page 117, line 34, strike "1994" and insert "1996"

14 On page 117, line 37, strike "1995 through 1997" and insert "1997  
15 through 1999"

16 **2SSB 5304** - S AMD

17 By Senator Moyer

18

19 On page 119, line 37, strike "1997" and insert "1999"

20 On page 119, line 38, strike "1999" and insert "2001"

21 **2SSB 5304** - S AMD

22 By Senator Moyer

23

24 On page 120, line 29, after "SCHEDULE." insert "The following  
25 schedule shall be delayed two years."

3

4 On page 128, after line 37, insert the following:

5 **"O. INSURANCE CODE REVISIONS**

6 **Sec. 367.** RCW 48.21.010 and 1992 c 226 s 2 are each amended to  
7 read as follows:

8 Group disability insurance is that form of disability insurance,  
9 including stop loss insurance as defined in RCW 48.11.030, provided by  
10 a master policy issued to an employer, to a trustee appointed by an  
11 employer or employers, or to an association of employers formed for  
12 purposes other than obtaining such insurance, except as may be  
13 authorized in sections 101 through 103 of this act, covering, with or  
14 without their dependents, the employees, or specified categories of the  
15 employees, of such employers or their subsidiaries or affiliates, or  
16 issued to a labor union, or to an association of employees formed for  
17 purposes other than obtaining such insurance, covering, with or without  
18 their dependents, the members, or specified categories of the members,  
19 of the labor union or association, or issued pursuant to RCW 48.21.030.  
20 Group disability insurance shall also include such other groups as  
21 qualify for group life insurance under the provisions of this code.

22 **Sec. 368.** RCW 48.21.050 and 1947 c 79 s .21.05 are each amended to  
23 read as follows:

24 Except as provided for in sections 101 through 103 of this act,  
25 every policy of group or blanket disability insurance shall contain in  
26 substance the provisions as set forth in RCW 48.21.060 to 48.21.090,  
27 inclusive, or provisions which in the opinion of the commissioner are  
28 more favorable to the individuals insured, or at least as favorable to  
29 such individuals and more favorable to the policyholder. No such  
30 policy of group or blanket disability insurance shall contain any  
31 provision relative to notice or proof of loss, or to the time for  
32 paying benefits, or to the time within which suit may be brought upon  
33 the policy, which in the opinion of the commissioner is less favorable  
34 to the individuals insured than would be permitted by the standard  
35 provisions required for individual disability insurance policies.

1       **Sec. 369.** RCW 48.30.300 and 1975-'76 2nd ex.s. c 119 s 7 are each  
2 amended to read as follows:

3       No person or entity engaged in the business of insurance in this  
4 state shall refuse to issue any contract of insurance or cancel or  
5 decline to renew such contract because of the sex or marital status, or  
6 the presence of any sensory, mental, or physical handicap of the  
7 insured or prospective insured. The amount of benefits payable, or any  
8 term, rate, condition, or type of coverage shall not be restricted,  
9 modified, excluded, increased or reduced on the basis of the sex or  
10 marital status, or be restricted, modified, excluded or reduced on the  
11 basis of the presence of any sensory, mental, or physical handicap of  
12 the insured or prospective insured. Except as provided for in sections  
13 101 through 103 of this act, these provisions shall not prohibit fair  
14 discrimination on the basis of sex, or marital status, or the presence  
15 of any sensory, mental, or physical handicap when bona fide statistical  
16 differences in risk or exposure have been substantiated.

17       **Sec. 370.** RCW 48.44.220 and 1983 c 154 s 4 are each amended to  
18 read as follows:

19       No health care service contractor shall deny coverage to any person  
20 solely on account of race, religion, national origin, or the presence  
21 of any sensory, mental, or physical handicap. Except as provided for  
22 in sections 101 through 103 of this act, nothing in this section shall  
23 be construed as limiting a health care service contractor's authority  
24 to deny or otherwise limit coverage to a person when the person because  
25 of a medical condition does not meet the essential eligibility  
26 requirements established by the health care service contractor for  
27 purposes of determining coverage for any person.

28       No health care service contractor shall refuse to provide  
29 reimbursement or indemnity to any person for covered health care  
30 services for reasons that the health care services were provided by a  
31 holder of a license under chapter 18.22 RCW.

32       **Sec. 371.** RCW 48.46.370 and 1983 c 106 s 15 are each amended to  
33 read as follows:

34       No health maintenance organization may deny coverage to a person  
35 solely on account of the presence of any sensory, mental, or physical  
36 handicap. Except as provided for in sections 101 through 103 of this  
37 act, nothing in this section may be construed as limiting a health

1 maintenance organization's authority to deny or otherwise limit  
2 coverage to a person when the person because of a medical condition  
3 does not meet the essential eligibility requirements established by the  
4 health maintenance organization for purposes of determining coverage  
5 for any person."

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

8 **2SSB 5304** - S AMD  
9 By Senator Moyer

10

11 Beginning on page 136, line 31, strike all of section 376

--- END ---