
HOUSE BILL 2896

State of Washington

53rd Legislature

1994 Regular Session

By Representative R. Johnson

Read first time 01/31/94. Referred to Committee on Health Care.

1 AN ACT Relating to employer-sponsored health benefits coverage; and
2 amending RCW 43.72.010, 43.72.040, and 43.72.220.

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

4 **Sec. 1.** RCW 43.72.010 and 1993 c 494 s 1 are each amended to read
5 as follows:

6 In this chapter, unless the context otherwise requires:

7 (1) "Certified health plan" or "plan" means a disability insurer
8 regulated under chapter 48.20 or 48.21 RCW, a health care service
9 contractor as defined in RCW 48.44.010, a health maintenance
10 organization as defined in RCW 48.46.020, or an entity certified in
11 accordance with RCW 48.43.020 through 48.43.120.

12 (2) "Chair" means the presiding officer of the Washington health
13 services commission.

14 (3) "Commission" or "health services commission" means the
15 Washington health services commission.

16 (4) "Community rate" means the rating method used to establish the
17 premium for the uniform benefits package adjusted to reflect
18 actuarially demonstrated differences in utilization or cost

1 attributable to geographic region and family size as determined by the
2 commission.

3 (5) "Continuous quality improvement and total quality management"
4 means a continuous process to improve health services while reducing
5 costs.

6 (6) "Employee" means a resident who is in the employment of an
7 employer, as defined by chapter 50.04 RCW.

8 (7) "Enrollee" means any person who is a Washington resident
9 enrolled in a certified health plan.

10 (8) "Enrollee point of service cost-sharing" means amounts paid to
11 certified health plans directly providing services, health care
12 providers, or health care facilities by enrollees for receipt of
13 specific uniform benefits package services, and may include copayments,
14 coinsurance, or deductibles, that together must be actuarially
15 equivalent across plans and within overall limits established by the
16 commission.

17 (9) "Enrollee premium sharing" means that portion of the premium
18 that is paid by enrollees or their family members.

19 (10) "Federal poverty level" means the federal poverty guidelines
20 determined annually by the United States department of health and human
21 services or successor agency.

22 (11) "Health care facility" or "facility" means hospices licensed
23 under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW,
24 rural health (~~{care}~~) care facilities as defined in RCW 70.175.020,
25 psychiatric hospitals licensed under chapter 71.12 RCW, nursing homes
26 licensed under chapter 18.51 RCW, community mental health centers
27 licensed under chapter 71.05 or 71.24 RCW, kidney disease treatment
28 centers licensed under chapter 70.41 RCW, ambulatory diagnostic,
29 treatment or surgical facilities licensed under chapter 70.41 RCW, drug
30 and alcohol treatment facilities licensed under chapter 70.96A RCW, and
31 home health agencies licensed under chapter 70.127 RCW, and includes
32 such facilities if owned and operated by a political subdivision or
33 instrumentality of the state and such other facilities as required by
34 federal law and implementing regulations, but does not include
35 Christian Science sanatoriums operated, listed, or certified by the
36 First Church of Christ Scientist, Boston, Massachusetts.

37 (12) "Health care provider" or "provider" means:

1 (a) A person regulated under Title 18 RCW and chapter 70.127 RCW,
2 to practice health or health-related services or otherwise practicing
3 health care services in this state consistent with state law; or

4 (b) An employee or agent of a person described in (a) of this
5 subsection, acting in the course and scope of his or her employment.

6 (13) "Health insurance purchasing cooperative" or "cooperative"
7 means a member-owned and governed nonprofit organization certified in
8 accordance with RCW 43.72.080 and 48.43.160.

9 (14) "Long-term care" means institutional, residential, outpatient,
10 or community-based services that meet the individual needs of persons
11 of all ages who are limited in their functional capacities or have
12 disabilities and require assistance with performing two or more
13 activities of daily living for an extended or indefinite period of
14 time. These services include case management, protective supervision,
15 in-home care, nursing services, convalescent, custodial, chronic, and
16 terminally ill care.

17 (15) "Major capital expenditure" means any project or expenditure
18 for capital construction, renovations, or acquisition, including
19 medical technological equipment, as defined by the commission, costing
20 more than one million dollars.

21 (16) "Managed care" means an integrated system of insurance,
22 financing, and health services delivery functions that: (a) Assumes
23 financial risk for delivery of health services and uses a defined
24 network of providers; or (b) assumes financial risk for delivery of
25 health services and promotes the efficient delivery of health services
26 through provider assumption of some financial risk including
27 capitation, prospective payment, resource-based relative value scales,
28 fee schedules, or similar method of limiting payments to health care
29 providers.

30 (17) "Maximum enrollee financial participation" means the income-
31 related total annual payments that may be required of an enrollee per
32 family who chooses one of the three lowest priced uniform benefits
33 packages offered by plans in a geographic region including both premium
34 sharing and enrollee point of service cost-sharing.

35 (18) "Persons of color" means Asians/Pacific Islanders, African,
36 Hispanic, and Native Americans.

37 (19) "Premium" means all sums charged, received, or deposited by a
38 certified health plan as consideration for a uniform benefits package
39 or the continuance of a uniform benefits package. Any assessment, or

1 any "membership," "policy," "contract," "service," or similar fee or
2 charge made by the certified health plan in consideration for the
3 uniform benefits package is deemed part of the premium. "Premium"
4 shall not include amounts paid as enrollee point of service cost-
5 sharing.

6 (20) "Qualified employee" means an employee who is employed at
7 least thirty hours during a week or one hundred twenty hours during a
8 calendar month.

9 (21) "Registered employer health plan" means a health plan
10 established by a private employer of more than seven thousand active
11 employees in this state solely for the benefit of such employees and
12 their dependents and that meets the requirements of RCW 43.72.120.
13 Nothing contained in this subsection shall be deemed to preclude the
14 plan from providing benefits to retirees of the employer.

15 (~~(22) ("Seasonal employee" means any person who works:~~
16 ~~(a) For one or more employers during the calendar year;~~
17 ~~(b) For six months or less, per year; and~~
18 ~~(c) For at least half time per month, during a designated season,~~
19 ~~within the same industry sector, designated by the commission,~~
20 ~~including food processing, agricultural production, agricultural~~
21 ~~harvesting, plantation Christmas tree planting, and tree planting on~~
22 ~~timber land.~~

23 ~~(23))~~ "Supplemental benefits" means those appropriate and
24 effective health services that are not included in the uniform benefits
25 package or that expand the type or level of health services available
26 under the uniform benefits package and that are offered to all
27 residents in accordance with the provisions of RCW 43.72.160 and
28 43.72.170.

29 (~~(24))~~ (23) "Technology" means the drugs, devices, equipment, and
30 medical or surgical procedures used in the delivery of health services,
31 and the organizational or supportive systems within which such services
32 are provided. It also means sophisticated and complicated machinery
33 developed as a result of ongoing research in the basic biological and
34 physical sciences, clinical medicine, electronics, and computer
35 sciences, as well as specialized professionals, medical equipment,
36 procedures, and chemical formulations used for both diagnostic and
37 therapeutic purposes.

38 (~~(25))~~ (24) "Uniform benefits package" or "package" means those
39 appropriate and effective health services, defined by the commission

1 under RCW 43.72.130, that must be offered to all Washington residents
2 through certified health plans.

3 (~~((26))~~) (25) "Washington resident" or "resident" means a person
4 who intends to reside in the state permanently or indefinitely and who
5 did not move to Washington for the primary purpose of securing health
6 services under RCW 43.72.090 through 43.72.240, 43.72.300, 43.72.310,
7 43.72.800, and chapters 48.43 and 48.85 RCW. "Washington resident"
8 also includes people and their accompanying family members who are
9 residing in the state for the purpose of engaging in employment for at
10 least one month, who did not enter the state for the primary purpose of
11 obtaining health services. The confinement of a person in a nursing
12 home, hospital, or other medical institution in the state shall not by
13 itself be sufficient to qualify such person as a resident.

14 **Sec. 2.** RCW 43.72.040 and 1993 c 494 s 2 are each amended to read
15 as follows:

16 The commission has the following powers and duties:

17 (1) Ensure that all residents of Washington state are enrolled in
18 a certified health plan to receive the uniform benefits package,
19 regardless of age, sex, family structure, ethnicity, race, health
20 condition, geographic location, employment, or economic status.

21 (2) Endeavor to ensure that all residents of Washington state have
22 access to appropriate, timely, confidential, and effective health
23 services, and monitor the degree of access to such services. If the
24 commission finds that individuals or populations lack access to
25 certified health plan services, the commission shall:

26 (a) Authorize appropriate state agencies, local health departments,
27 community or migrant health clinics, public hospital districts, or
28 other nonprofit health service entities to take actions necessary to
29 assure such access. This includes authority to contract for or
30 directly deliver services described within the uniform benefits package
31 to special populations; or

32 (b) Notify appropriate certified health plans and the insurance
33 commissioner of such findings. The commission shall adopt by rule
34 standards by which the insurance commissioner may, in such event,
35 require certified health plans in closest proximity to such individuals
36 and populations to extend their catchment areas to those individuals
37 and populations and offer them enrollment.

1 (3) Adopt necessary rules in accordance with chapter 34.05 RCW to
2 carry out the purposes of chapter 492, Laws of 1993. An initial set of
3 draft rules establishing at least the commission's organization
4 structure, the uniform benefits package, and standards for certified
5 health plan certification, must be submitted in draft form to
6 appropriate committees of the legislature by December 1, 1994.

7 (4) Establish and modify as necessary, in consultation with the
8 state board of health and the department of health, and coordination
9 with the planning process set forth in RCW 43.70.520 a uniform set of
10 health services based on the recommendations of the health care cost
11 control and access commission established under House Concurrent
12 Resolution No. 4443 adopted by the legislature in 1990.

13 (5) Establish and modify as necessary the uniform benefits package
14 as provided in RCW 43.72.130, which shall be offered to enrollees of a
15 certified health plan. The benefit package shall be provided at no
16 more than the maximum premium specified in subsection (6) of this
17 section.

18 (6)(a) Establish for each year a community-rated maximum premium
19 for the uniform benefits package that shall operate to control overall
20 health care costs. The maximum premium cost of the uniform benefits
21 package in the base year 1995 shall be established upon an actuarial
22 determination of the costs of providing the uniform benefits package
23 and such other cost impacts as may be deemed relevant by the
24 commission. Beginning in 1996, the growth rate of the premium cost of
25 the uniform benefits package for each certified health plan shall be
26 allowed to increase by a rate no greater than the average growth rate
27 in the cost of the package between 1990 and 1993 as actuarially
28 determined, reduced by two percentage points per year until the growth
29 rate is no greater than the five-year rolling average of growth in
30 Washington per capita personal income, as determined by the office of
31 financial management.

32 (b) In establishing the community-rated maximum premium under this
33 subsection, the commission shall review various methods for
34 establishing the community-rated maximum premium and shall recommend
35 such methods to the legislature by December 1, 1994.

36 The commission may develop and recommend a rate for employees that
37 provides nominal, if any, variance between the rate for individual
38 employees and employees with dependents to minimize any economic
39 incentive to an employer to discriminate between prospective employees

1 based upon whether or not they have dependents for whom coverage would
2 be required.

3 (c) If the commission adds or deletes services or benefits to the
4 uniform benefits package in subsequent years, it may increase or
5 decrease the maximum premium to reflect the actual cost experience of
6 a broad sample of providers of that service in the state, considering
7 the factors enumerated in (a) of this subsection and adjusted
8 actuarially. The addition of services or benefits shall not result in
9 a redetermination of the entire cost of the uniform benefits package.

10 (d) The level of state expenditures for the uniform benefits
11 package shall be limited to the appropriation of funds specifically for
12 this purpose.

13 (7) Determine the need for medical risk adjustment mechanisms to
14 minimize financial incentives for certified health plans to enroll
15 individuals who present lower health risks and avoid enrolling
16 individuals who present higher health risks, and to minimize financial
17 incentives for employer hiring practices that discriminate against
18 individuals who present higher health risks. In the design of medical
19 risk distribution mechanisms under this subsection, the commission
20 shall (a) balance the benefits of price competition with the need to
21 protect certified health plans from any unsustainable negative effects
22 of adverse selection; (b) consider the development of a system that
23 creates a risk profile of each certified health plan's enrollee
24 population that does not create disincentives for a plan to control
25 benefit utilization, that requires contributions from plans that enjoy
26 a low-risk enrollee population to plans that have a high-risk enrollee
27 population, and that does not permit an adjustment of the premium
28 charged for the uniform benefits package or supplemental coverage based
29 upon either receipt or contribution of assessments; and (c) consider
30 whether registered employer health plans should be included in any
31 medical risk adjustment mechanism. Proposed medical risk adjustment
32 mechanisms shall be submitted to the legislature as provided in RCW
33 43.72.180.

34 (8) Design a mechanism to assure minors have access to confidential
35 health care services as currently provided in RCW 70.24.110 and
36 71.34.030.

37 (9) Monitor the actual growth in total annual health services
38 costs.

1 (10) Monitor the increased application of technology as required by
2 chapter 492, Laws of 1993 and take necessary action to ensure that such
3 application is made in a cost-effective and efficient manner and
4 consistent with existing laws that protect individual privacy.

5 (11) Establish reporting requirements for certified health plans
6 that own or manage health care facilities, health care facilities, and
7 health care providers to periodically report to the commission
8 regarding major capital expenditures of the plans. The commission
9 shall review and monitor such reports and shall report to the
10 legislature regarding major capital expenditures on at least an annual
11 basis. The Washington health care facilities authority and the
12 commission shall develop standards jointly for evaluating and approving
13 major capital expenditure financing through the Washington health care
14 facilities authority, as authorized pursuant to chapter 70.37 RCW. By
15 December 1, 1994, the commission and the authority shall submit jointly
16 to the legislature such proposed standards. The commission and the
17 authority shall, after legislative review, but no later than June 1,
18 1995, publish such standards. Upon publication, the authority may not
19 approve financing for major capital expenditures unless approved by the
20 commission.

21 (12) Establish maximum enrollee financial participation levels.
22 The levels shall be related to enrollee household income.

23 (13) For health services provided under the uniform benefits
24 package and supplemental benefits, adopt standards for enrollment, and
25 standardized billing and claims processing forms. The standards shall
26 ensure that these procedures minimize administrative burdens on health
27 care providers, health care facilities, certified health plans, and
28 consumers. Subject to federal approval or phase-in schedules whenever
29 necessary or appropriate, the standards also shall apply to state-
30 purchased health services, as defined in RCW 41.05.011.

31 (14) Propose that certified health plans adopt certain practice
32 indicators or risk management protocols for quality assurance,
33 utilization review, or provider payment. The commission may consider
34 indicators or protocols recommended according to RCW 43.70.500 for
35 these purposes.

36 (15) Propose other guidelines to certified health plans for
37 utilization management, use of technology and methods of payment, such
38 as diagnosis-related groups and a resource-based relative value scale.
39 Such guidelines shall be voluntary and shall be designed to promote

1 improved management of care, and provide incentives for improved
2 efficiency and effectiveness within the delivery system.

3 (16) Adopt standards and oversee and develop policy for personal
4 health data and information system as provided in chapter 70.170 RCW.

5 (17) Adopt standards that prevent conflict of interest by health
6 care providers as provided in RCW 18.130.320.

7 (18) At the appropriate juncture and in the fullness of time,
8 consider the extent to which medical research and health professions
9 training activities should be included within the health service system
10 set forth in chapter 492, Laws of 1993.

11 (19) Evaluate and monitor the extent to which racial and ethnic
12 minorities have access ~~((and to [to and]))~~ to and receive health
13 services within the state, and develop strategies to address barriers
14 to access.

15 (20) Develop standards for the certification process to certify
16 health plans and employer health plans to provide the uniform benefits
17 package, according to the provisions for certified health plans and
18 registered employer health plans under chapter 492, Laws of 1993.

19 (21) Develop rules for implementation of individual and employer
20 participation under RCW 43.72.210 and 43.72.220 specifically applicable
21 to persons who work in this state but do not live in the state or
22 persons who live in this state but work outside of the state. The
23 rules shall be designed so that these persons receive coverage and
24 financial requirements that are comparable to that received by persons
25 who both live and work in the state.

26 (22) After receiving advice from the health services effectiveness
27 committee, adopt rules that must be used by certified health plans,
28 disability insurers, health care service contractors, and health
29 maintenance organizations to determine whether a procedure, treatment,
30 drug, or other health service is no longer experimental or
31 investigative.

32 (23) Establish a process for purchase of uniform benefits package
33 services by enrollees when they are out-of-state.

34 (24) Develop recommendations to the legislature as to whether state
35 and school district employees, on whose behalf health benefits are or
36 will be purchased by the health care authority pursuant to chapter
37 41.05 RCW, should have the option to purchase health benefits through
38 health insurance purchasing cooperatives on and after July 1, 1997. In
39 developing its recommendations, the commission shall consider:

1 (a) The impact of state or school district employees purchasing
2 through health insurance purchasing cooperatives on the ability of the
3 state to control its health care costs; and

4 (b) Whether state or school district employees purchasing through
5 health insurance purchasing cooperatives will result in inequities in
6 health benefits between or within groups of state and school district
7 employees.

8 (25) Establish guidelines for providers dealing with terminal or
9 static conditions, taking into consideration the ethics of providers,
10 patient and family wishes, costs, and survival possibilities.

11 (26) Evaluate the extent to which Taft-Hartley health care trusts
12 provide benefits to certain individuals in the state; review the
13 federal laws under which these trusts are organized; and make
14 appropriate recommendations to the governor and the legislature on or
15 before December 1, 1994, as to whether these trusts should be brought
16 under the provisions of chapter 492, Laws of 1993 when it is fully
17 implemented, and if the commission recommends inclusion of the trusts,
18 how to implement such inclusion.

19 ~~((27) ((Make appropriate recommendations to the governor and the
20 legislature on or before December 1, 1994, as to how seasonal workers
21 and their employers may be brought under the provisions of chapter 492,
22 Laws of 1993 when it is fully implemented, and with particular
23 attention to the financial impact on seasonal workers and their
24 employers. Until such time this study has been completed and the
25 legislature has taken affirmative action, RCW 43.72.220 shall not apply
26 to seasonal workers or their employers.~~

27 ~~((28)))~~ Evaluate whether Washington is experiencing a higher
28 percentage in in-migration of residents from other states and
29 territories than would be expected by normal trends as a result of the
30 availability of unsubsidized and subsidized health care benefits for
31 all residents and report to the governor and the legislature their
32 findings.

33 ~~((29)))~~ (28) In developing the uniform benefits package and other
34 standards pursuant to this section, consider the likelihood of the
35 establishment of a national health services plan adopted by the federal
36 government and its implications.

37 ~~((30)))~~ (29) Evaluate the effect of reforms under chapter 492,
38 Laws of 1993 on access to care and economic development in rural areas.

1 To the extent that the exercise of any of the powers and duties
2 specified in this section may be inconsistent with the powers and
3 duties of other state agencies, offices, or commissions, the authority
4 of the commission shall supersede that of such other state agency,
5 office, or commission, except in matters of personal health data, where
6 the commission shall have primary data system policy-making authority
7 and the department of health shall have primary responsibility for the
8 maintenance and routine operation of personal health data systems.

9 **Sec. 3.** RCW 43.72.220 and 1993 c 494 s 3 are each amended to read
10 as follows:

11 (1) The legislature recognizes that small businesses play an
12 essential and increasingly important role in the state's economy. The
13 legislature further recognizes that many of the state's small business
14 owners provide health insurance to their employees through small group
15 policies at a cost that directly affects their profitability. Other
16 small business owners are prevented from providing health benefits to
17 their employees by the lack of access to affordable health insurance
18 coverage. The legislature intends that the provisions of chapter 492,
19 Laws of 1993 make health insurance more available and affordable to
20 small businesses in Washington state through strong cost control
21 mechanisms and the option to purchase health benefits through the basic
22 health plan, the Washington state group purchasing association, and
23 health insurance purchasing cooperatives.

24 ~~(2) ((On July 1, 1995, every employer employing more than five
25 hundred qualified employees shall:~~

26 ~~(a) Offer a choice of the uniform benefits package as provided by
27 at least three available certified health plans, one of which shall be
28 the lowest cost available package within their geographic region, and
29 for employers who have established a registered employer health plan,
30 one of which may be its own registered employer health plan, to all
31 qualified employees. The employer shall be required to pay no less
32 than fifty percent of the premium cost of the lowest cost available
33 package within their geographic region. On July 1, 1996, all
34 dependents of qualified employees of these firms shall be offered a
35 choice of packages as provided in this section with the employer paying
36 no less than fifty percent of the premium of the lowest cost package
37 within their geographic region.~~

1 (b) For employees who work fewer than thirty hours during a week or
2 one hundred twenty hours during a calendar month, three hundred sixty
3 hours during a calendar quarter or one thousand four hundred forty
4 hours during a calendar year, and their dependents, pay, for the period
5 of time adopted by the employer under this subsection, the amount
6 resulting from application of the following formula: The number of
7 hours worked by the employee in a month is multiplied by the amount of
8 a qualified employee's premium, and that amount is then divided by one
9 hundred twenty.

10 (c) If an employee under (b) of this subsection is the dependent of
11 a qualified employee, and is therefore covered as a dependent by the
12 qualified employee's employer, then the employer of the employee under
13 (b) of this subsection shall not be required to participate in the cost
14 of the uniform benefits package for that employee.

15 (d) If an employee working on a seasonal basis is a qualified
16 employee of another employer, and therefore has uniform benefits
17 package coverage through that primary employer, then the seasonal
18 employer of the employee shall not be required to participate in the
19 cost of the uniform benefits package for that employee.

20 (3) By July 1, 1996, every employer employing more than one hundred
21 qualified employees shall:

22 (a) Offer a choice of the uniform benefits package as provided by
23 at least three available certified health plans, one of which shall be
24 the lowest cost available package within their geographic region, to
25 all qualified employees. The employer shall be required to pay no less
26 than fifty percent of the premium cost of the lowest cost available
27 package within their geographic region. On July 1, 1997, all
28 dependents of qualified employees in these firms shall be offered a
29 choice of packages as provided in this section with the employer paying
30 no less than fifty percent of the premium of the lowest cost package
31 within their geographic region.

32 (b) For employees who work fewer than thirty hours during a week or
33 one hundred twenty hours during a calendar month, three hundred sixty
34 hours during a calendar quarter or one thousand four hundred forty
35 hours during a calendar year, and their dependents, pay, for the period
36 of time adopted by the employer under this subsection, the amount
37 resulting from application of the following formula: The number of
38 hours worked by the employee in a month is multiplied by the amount of

1 a qualified employee's premium, and that amount is then divided by one
2 hundred twenty.—

3 (c) If an employee under (b) of this subsection is the dependent of
4 a qualified employee, and is therefore covered as a dependent by the
5 qualified employee's employer, then the employer of the employee under
6 (b) of this subsection shall not be required to participate in the cost
7 of the uniform benefits package for that employee.

8 (d) If an employee working on a seasonal basis is a qualified
9 employee of another employer, and therefore has uniform benefits
10 package coverage through that primary employer, then the seasonal
11 employer of the employee shall not be required to participate in the
12 cost of the uniform benefits package for that employee.

13 (4) ~~By~~) On July 1, 1997, every employer shall:

14 (a) Offer a choice of the uniform benefits package as provided by
15 at least three available certified health plans, one of which shall be
16 the lowest cost available package within their geographic region, to
17 all qualified employees. The employer shall be required to pay no less
18 than fifty percent of the premium cost of the lowest cost available
19 package within their geographic region. ((~~On July 1, 1999, all~~
20 ~~dependents of qualified employees in all firms shall be offered a~~
21 ~~choice of packages as provided in this section with the employer paying~~
22 ~~no less than fifty percent of the premium of the lowest cost package~~
23 ~~within their geographic region.~~))

24 (b) For employees who work fewer than thirty hours during a week or
25 one hundred twenty hours during a calendar month, three hundred sixty
26 hours during a calendar quarter or one thousand four hundred forty
27 hours during a calendar year, and their dependents, pay, for the period
28 of time adopted by the employer under this subsection, the amount
29 resulting from application of the following formula: The number of
30 hours worked by the employee in a month is multiplied by the amount of
31 a qualified employee's premium, and that amount is then divided by one
32 hundred twenty.

33 (c) If an employee under (b) of this subsection is the dependent of
34 a qualified employee, and is therefore covered as a dependent by the
35 qualified employee's employer, then the employer of the employee under
36 (b) of this subsection shall not be required to participate in the cost
37 of the uniform benefits package for that employee.

38 (d) If an employee working on a seasonal basis is a qualified
39 employee of another employer, and therefore has uniform benefits

1 package coverage through that primary employer, then the seasonal
2 employer of the employee shall not be required to participate in the
3 cost of the uniform benefits package for that employee.

4 ~~((+5))~~ (3) This employer participation requirement shall be waived
5 if imposition of the requirement would constitute a violation of the
6 freedom of religion provisions of the First Amendment of the United
7 States Constitution or Article I, section 11, of the state
8 Constitution. In such case the employer shall, pursuant to commission
9 rules, set aside an amount equal to the applicable employer
10 contribution level in a manner that would permit his or her employee to
11 fully comply with the requirements of this chapter.

12 ~~((+6))~~ (4) On July 1, 1999, all dependents of qualified employees
13 in all firms shall be offered a choice of packages as provided in this
14 section with the employer paying no less than fifty percent of the
15 premium of the lowest cost package within their geographic region.

16 (5) In lieu of offering the uniform benefits package to employees
17 and their dependents through direct contracts with certified health
18 plans, an employer may combine the employer contribution with that of
19 the employee's contribution and enroll in the basic health plan as
20 provided in chapter 70.47 RCW or a health insurance purchasing
21 cooperative established under RCW 43.72.080 and 48.43.160. Any subsidy
22 that may be provided according to the provisions of chapter 70.47 RCW
23 shall not lessen the employer's obligation to pay a minimum of fifty
24 percent of the premium and the full amount of the direct subsidy shall
25 be for the benefit of the employee or the dependent.

26 ~~((+7))~~ (6) For purposes of determining the financial obligation of
27 an employer who enrolls employees or employees and their adult
28 dependents in the basic health plan, the premium shall be the per
29 adult, per month, cost of coverage in the plan, including
30 administration.

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