
HOUSE BILL 2913

State of Washington 53rd Legislature 1994 Regular Session

By Representatives Dyer, B. Thomas, Foreman, Wood and Talcott

Read first time 02/07/94. Referred to Committee on Health Care.

1 AN ACT Relating to managed care; and amending RCW 43.72.010.

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

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

5 In this chapter, unless the context otherwise requires:

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

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

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

15 (4) "Community rate" means the rating method used to establish the
16 premium for the uniform benefits package adjusted to reflect
17 actuarially demonstrated differences in utilization or cost
18 attributable to geographic region and family size as determined by the
19 commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (19) "Premium" means all sums charged, received, or deposited by a
36 certified health plan as consideration for a uniform benefits package
37 or the continuance of a uniform benefits package. Any assessment, or
38 any "membership," "policy," "contract," "service," or similar fee or
39 charge made by the certified health plan in consideration for the

1 uniform benefits package is deemed part of the premium. "Premium"
2 shall not include amounts paid as enrollee point of service cost-
3 sharing.

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

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

13 (22) "Seasonal employee" means any person who works:

14 (a) For one or more employers during the calendar year;

15 (b) For six months or less, per year; and

16 (c) For at least half-time per month, during a designated season,
17 within the same industry sector, designated by the commission,
18 including food processing, agricultural production, agricultural
19 harvesting, plantation Christmas tree planting, and tree planting on
20 timber land.

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

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

35 (25) "Uniform benefits package" or "package" means those
36 appropriate and effective health services, defined by the commission
37 under RCW 43.72.130, that must be offered to all Washington residents
38 through certified health plans.

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

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