

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2443**

53rd Legislature  
1994 Regular Session

Passed by the House February 10, 1994  
Yeas 78 Nays 17

\_\_\_\_\_  
**Speaker of the  
House of Representatives**

Passed by the Senate February 28, 1994  
Yeas 31 Nays 17

\_\_\_\_\_  
**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2443** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2443**

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Passed Legislature - 1994 Regular Session

**State of Washington                      53rd Legislature                      1994 Regular Session**

**By** House Committee on Health Care (originally sponsored by Representatives Dellwo, L. Johnson, Conway, Wineberry, Wolfe, J. Kohl, Veloria, Romero and King; by request of Health Services Commission and Governor Lowry)

Read first time 02/04/94.

1            AN ACT Relating to employer-sponsored health benefits coverage for  
2 seasonal workers; amending RCW 43.72.010, 43.72.060, and 43.72.040; and  
3 adding a new section to chapter 43.72 RCW.

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

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

7            In this chapter, unless the context otherwise requires:

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

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

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

17            (4) "Community rate" means the rating method used to establish the  
18 premium for the uniform benefits package adjusted to reflect  
19 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 43.72.060 and 1993 c 492 s 404 are each amended to  
15 read as follows:

16 (1)(a) The chair shall appoint an advisory committee with balanced  
17 representation from consumers, business, government, labor, certified  
18 health plans, practicing health care providers, health care facilities,  
19 and health services researchers reflecting ethnic and racial diversity.  
20 In addition, the chair may appoint special committees for specified  
21 periods of time.

22 (b) The chair shall also appoint a five-member health services  
23 effectiveness committee whose members possess a breadth of experience  
24 and knowledge in the treatment, research, and public and private  
25 funding of health care services. The committee shall meet at the call  
26 of the chair. The health services effectiveness committee shall advise  
27 the commission on: (i) Those health services that may be determined by  
28 the commission to be appropriate and effective; (ii) use of technology  
29 and practice indicators; (iii) the uniform benefits package; and (iv)  
30 rules that insurers and certified health plans must use to determine  
31 whether a procedure, treatment, drug, or other health service is no  
32 longer experimental or investigative.

33 (c) The commission shall also appoint a small business advisory  
34 committee composed of seven owners of businesses with twenty-five or  
35 fewer full-time equivalent employees reflecting ethnic and racial  
36 diversity, to assist the commission in development of the small  
37 business economic impact statement and the small business assistance  
38 program, as provided in RCW 43.72.140 and 43.72.240.

1 (d) The commission shall also appoint an organized labor advisory  
2 committee composed of seven representatives of employee organizations  
3 representing employees of public or private employers. The committee  
4 shall assist the commission in conducting the evaluation of Taft-  
5 Hartley health care trusts and self-insured employee health benefits  
6 plans, as provided in RCW 43.72.040(26), and shall advise the  
7 commission on issues related to the impact of chapter 492, Laws of 1993  
8 on negotiated health benefits agreements and other employee health  
9 benefits plans.

10 (e) The commission shall appoint a seasonal employment advisory  
11 committee composed of equal numbers of seasonal employee and employer  
12 representatives to assist the commission in development of coverage  
13 mechanisms for seasonal employees and employers and other related  
14 issues as provided in section 4 of this act.

15 (2) Members of committees and panels shall serve without  
16 compensation for their services but shall be reimbursed for their  
17 expenses while attending meetings on behalf of the commission in  
18 accordance with RCW 43.03.050 and 43.03.060.

19 **Sec. 3.** RCW 43.72.040 and 1993 c 494 s 2 are each amended to read  
20 as follows:

21 The commission has the following powers and duties:

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

26 (2) Endeavor to ensure that all residents of Washington state have  
27 access to appropriate, timely, confidential, and effective health  
28 services, and monitor the degree of access to such services. If the  
29 commission finds that individuals or populations lack access to  
30 certified health plan services, the commission shall:

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

37 (b) Notify appropriate certified health plans and the insurance  
38 commissioner of such findings. The commission shall adopt by rule

1 standards by which the insurance commissioner may, in such event,  
2 require certified health plans in closest proximity to such individuals  
3 and populations to extend their catchment areas to those individuals  
4 and populations and offer them enrollment.

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

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

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

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

36 (b) In establishing the community-rated maximum premium under this  
37 subsection, the commission shall review various methods for  
38 establishing the community-rated maximum premium and shall recommend  
39 such methods to the legislature by December 1, 1994.



1       The commission may develop and recommend a rate for employees that  
2 provides nominal, if any, variance between the rate for individual  
3 employees and employees with dependents to minimize any economic  
4 incentive to an employer to discriminate between prospective employees  
5 based upon whether or not they have dependents for whom coverage would  
6 be required.

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

14       (d) The level of state expenditures for the uniform benefits  
15 package shall be limited to the appropriation of funds specifically for  
16 this purpose.

17       (7) Determine the need for medical risk adjustment mechanisms to  
18 minimize financial incentives for certified health plans to enroll  
19 individuals who present lower health risks and avoid enrolling  
20 individuals who present higher health risks, and to minimize financial  
21 incentives for employer hiring practices that discriminate against  
22 individuals who present higher health risks. In the design of medical  
23 risk distribution mechanisms under this subsection, the commission  
24 shall (a) balance the benefits of price competition with the need to  
25 protect certified health plans from any unsustainable negative effects  
26 of adverse selection; (b) consider the development of a system that  
27 creates a risk profile of each certified health plan's enrollee  
28 population that does not create disincentives for a plan to control  
29 benefit utilization, that requires contributions from plans that enjoy  
30 a low-risk enrollee population to plans that have a high-risk enrollee  
31 population, and that does not permit an adjustment of the premium  
32 charged for the uniform benefits package or supplemental coverage based  
33 upon either receipt or contribution of assessments; and (c) consider  
34 whether registered employer health plans should be included in any  
35 medical risk adjustment mechanism. Proposed medical risk adjustment  
36 mechanisms shall be submitted to the legislature as provided in RCW  
37 43.72.180.

1 (8) Design a mechanism to assure minors have access to confidential  
2 health care services as currently provided in RCW 70.24.110 and  
3 71.34.030.

4 (9) Monitor the actual growth in total annual health services  
5 costs.

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

10 (11) Establish reporting requirements for certified health plans  
11 that own or manage health care facilities, health care facilities, and  
12 health care providers to periodically report to the commission  
13 regarding major capital expenditures of the plans. The commission  
14 shall review and monitor such reports and shall report to the  
15 legislature regarding major capital expenditures on at least an annual  
16 basis. The Washington health care facilities authority and the  
17 commission shall develop standards jointly for evaluating and approving  
18 major capital expenditure financing through the Washington health care  
19 facilities authority, as authorized pursuant to chapter 70.37 RCW. By  
20 December 1, 1994, the commission and the authority shall submit jointly  
21 to the legislature such proposed standards. The commission and the  
22 authority shall, after legislative review, but no later than June 1,  
23 1995, publish such standards. Upon publication, the authority may not  
24 approve financing for major capital expenditures unless approved by the  
25 commission.

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

28 (13) Establish rules requiring employee enrollee premium sharing,  
29 as defined in RCW 43.72.010(9), be paid through deductions from wages  
30 or earnings.

31 (14) For health services provided under the uniform benefits  
32 package and supplemental benefits, adopt standards for enrollment, and  
33 standardized billing and claims processing forms. The standards shall  
34 ensure that these procedures minimize administrative burdens on health  
35 care providers, health care facilities, certified health plans, and  
36 consumers. Subject to federal approval or phase-in schedules whenever  
37 necessary or appropriate, the standards also shall apply to state-  
38 purchased health services, as defined in RCW 41.05.011.

1       (~~(14)~~) (15) Propose that certified health plans adopt certain  
2 practice indicators or risk management protocols for quality assurance,  
3 utilization review, or provider payment. The commission may consider  
4 indicators or protocols recommended according to RCW 43.70.500 for  
5 these purposes.

6       (~~(15)~~) (16) Propose other guidelines to certified health plans  
7 for utilization management, use of technology and methods of payment,  
8 such as diagnosis-related groups and a resource-based relative value  
9 scale. Such guidelines shall be voluntary and shall be designed to  
10 promote improved management of care, and provide incentives for  
11 improved efficiency and effectiveness within the delivery system.

12       (~~(16)~~) (17) Adopt standards and oversee and develop policy for  
13 personal health data and information system as provided in chapter  
14 70.170 RCW.

15       (~~(17)~~) (18) Adopt standards that prevent conflict of interest by  
16 health care providers as provided in RCW 18.130.320.

17       (~~(18)~~) (19) At the appropriate juncture and in the fullness of  
18 time, consider the extent to which medical research and health  
19 professions training activities should be included within the health  
20 service system set forth in chapter 492, Laws of 1993.

21       (~~(19)~~) (20) Evaluate and monitor the extent to which racial and  
22 ethnic minorities have access (~~(and to [to and])~~) to and receive health  
23 services within the state, and develop strategies to address barriers  
24 to access.

25       (~~(20)~~) (21) Develop standards for the certification process to  
26 certify health plans and employer health plans to provide the uniform  
27 benefits package, according to the provisions for certified health  
28 plans and registered employer health plans under chapter 492, Laws of  
29 1993.

30       (~~(21)~~) (22) Develop rules for implementation of individual and  
31 employer participation under RCW 43.72.210 and 43.72.220 specifically  
32 applicable to persons who work in this state but do not live in the  
33 state or persons who live in this state but work outside of the state.  
34 The rules shall be designed so that these persons receive coverage and  
35 financial requirements that are comparable to that received by persons  
36 who both live and work in the state.

37       (~~(22)~~) (23) After receiving advice from the health services  
38 effectiveness committee, adopt rules that must be used by certified  
39 health plans, disability insurers, health care service contractors, and

1 health maintenance organizations to determine whether a procedure,  
2 treatment, drug, or other health service is no longer experimental or  
3 investigative.

4 ~~((+23+))~~ (24) Establish a process for purchase of uniform benefits  
5 package services by enrollees when they are out-of-state.

6 ~~((+24+))~~ (25) Develop recommendations to the legislature as to  
7 whether state and school district employees, on whose behalf health  
8 benefits are or will be purchased by the health care authority pursuant  
9 to chapter 41.05 RCW, should have the option to purchase health  
10 benefits through health insurance purchasing cooperatives on and after  
11 July 1, 1997. In developing its recommendations, the commission shall  
12 consider:

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

16 (b) Whether state or school district employees purchasing through  
17 health insurance purchasing cooperatives will result in inequities in  
18 health benefits between or within groups of state and school district  
19 employees.

20 ~~((+25+))~~ (26) Establish guidelines for providers dealing with  
21 terminal or static conditions, taking into consideration the ethics of  
22 providers, patient and family wishes, costs, and survival  
23 possibilities.

24 ~~((+26+))~~ (27) Evaluate the extent to which Taft-Hartley health care  
25 trusts provide benefits to certain individuals in the state; review the  
26 federal laws under which these trusts are organized; and make  
27 appropriate recommendations to the governor and the legislature on or  
28 before December 1, 1994, as to whether these trusts should be brought  
29 under the provisions of chapter 492, Laws of 1993 when it is fully  
30 implemented, and if the commission recommends inclusion of the trusts,  
31 how to implement such inclusion.

32 ~~((+27+))~~ ~~Make appropriate recommendations to the governor and the  
33 legislature on or before December 1, 1994, as to how seasonal workers  
34 and their employers may be brought under the provisions of chapter 492,  
35 Laws of 1993 when it is fully implemented, and with particular  
36 attention to the financial impact on seasonal workers and their  
37 employers. Until such time this study has been completed and the  
38 legislature has taken affirmative action, RCW 43.72.220 shall not apply  
39 to seasonal workers or their employers.))~~

1 (28) Evaluate whether Washington is experiencing a higher  
2 percentage in in-migration of residents from other states and  
3 territories than would be expected by normal trends as a result of the  
4 availability of unsubsidized and subsidized health care benefits for  
5 all residents and report to the governor and the legislature their  
6 findings.

7 (29) In developing the uniform benefits package and other standards  
8 pursuant to this section, consider the likelihood of the establishment  
9 of a national health services plan adopted by the federal government  
10 and its implications.

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

13 To the extent that the exercise of any of the powers and duties  
14 specified in this section may be inconsistent with the powers and  
15 duties of other state agencies, offices, or commissions, the authority  
16 of the commission shall supersede that of such other state agency,  
17 office, or commission, except in matters of personal health data, where  
18 the commission shall have primary data system policy-making authority  
19 and the department of health shall have primary responsibility for the  
20 maintenance and routine operation of personal health data systems.

21 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.72 RCW  
22 to read as follows:

23 (1) As used in this section, "seasonal employer" means an employer  
24 whose business is in one or more of the following standard industry  
25 classifications: Cash grains, field crops except cash grains,  
26 vegetables and melons, fruits and nuts, dairy farms, horticulture  
27 specialties, general farms-primarily crops, crop services, animal  
28 services except veterinary, timber tracts, forestry services, canned,  
29 frozen, and preserved fruits and vegetables, farm produce-raw material,  
30 and fresh fruits and vegetables. Additional industry classifications  
31 may be included by the commission.

32 (2) The commission shall, in consultation with the seasonal  
33 employment advisory committee established pursuant to RCW  
34 43.72.060(1)(e):

35 (a) Define seasonal employee;

36 (b) Conduct an analysis of the financial impact of health insurance  
37 coverage on seasonal employees and their employers, including analysis  
38 of the extent to which existing funding sources that currently

1 subsidize health services costs for low-income seasonal workers can be  
2 utilized, and the feasibility of establishing a centralized pool or  
3 depository to finance such coverage;

4 (c) Determine the extent to which the coverage mechanisms of this  
5 chapter should be modified, if at all, to meet the unique  
6 characteristics and needs of seasonal employees and their employers.

7 In making the determination under this subsection:

8 (i) Seasonal employees shall have the same base level of benefits,  
9 and be subject to the same point of service cost-sharing and premium  
10 contribution policies as other employees, consistent with the income-  
11 sensitive requirements developed by the commission pursuant to RCW  
12 43.72.130;

13 (ii) Employers and employees should contribute to the costs of  
14 health benefits coverage for seasonal employees and their dependents at  
15 a rate that is as affordable for seasonal employees and their employers  
16 as for nonseasonal employers and employees. The minimum hourly rate  
17 paid by seasonal employers towards their seasonal employees' health  
18 insurance coverage shall not have the effect of increasing the  
19 employers' monthly contribution toward seasonal employees' health  
20 insurance coverage to more than the required fifty percent of the cost  
21 of the lowest priced uniform benefits package. The minimum hourly  
22 payment rate shall be calculated on the basis of a one hundred twenty  
23 hour month, and shall be paid by employers on the first thirty hours of  
24 each week worked by a seasonal employee;

25 (iii) The following principles shall guide the commission's  
26 deliberations with respect to development of a mechanism to determine  
27 the date upon which an employer's participation under RCW 43.72.220  
28 begins:

29 (A) The clear legislative intent of this chapter is to minimize any  
30 adverse economic impact of employer participation on small employers,  
31 as evidenced by establishment of the small business advisory committee  
32 in RCW 43.72.060, establishment of the small firm financial assistance  
33 program in RCW 43.72.240, the requirement in RCW 43.72.140 that a small  
34 business economic impact statement be prepared by the commission, and  
35 phased-in implementation of employer participation requirements based  
36 on employer size;

37 (B) The unique nature of seasonal industries results in great  
38 variations in the number of individuals employed in those industries  
39 over the course of a year. Any mechanism developed by the commission

1 shall attempt to address this issue in a manner that: Minimizes the  
2 potential for peaks and valleys in employment to disproportionately  
3 influence the date upon which an employer's participation under RCW  
4 43.72.220 begins; does not result in overcounting or undercounting  
5 qualified employees; and ensures equitable treatment of employers and  
6 employees across industries;

7 (iv) Consideration shall be given to health services access and  
8 delivery issues unique to seasonal employees;

9 (v) Consider the appropriateness of using the depository  
10 established pursuant to RCW 43.72.230 to administer all or part of the  
11 system of seasonal employees' health insurance coverage.

12 (3) In undertaking these tasks, the commission shall give strong  
13 consideration to the following principles:

14 (a) Every effort shall be made to minimize the administrative  
15 burden on seasonal employees and seasonal employers; and

16 (b) No new state agency should be created.

--- END ---