

2 SHB 2186 - S COMM AMD

3 By Committee on Health & Long-Term Care

4 ADOPTED 2/29/96

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 41.05.065 and 1995 1st sp.s. c 6 s 5 are each amended
8 to read as follows:

9 (1) The board shall study all matters connected with the provision
10 of health care coverage, life insurance, liability insurance,
11 accidental death and dismemberment insurance, and disability income
12 insurance or any of, or a combination of, the enumerated types of
13 insurance for employees and their dependents on the best basis possible
14 with relation both to the welfare of the employees and to the state.
15 However, liability insurance shall not be made available to dependents.

16 (2) The board shall develop employee benefit plans that include
17 comprehensive health care benefits for all employees. In developing
18 these plans, the board shall consider the following elements:

19 (a) Methods of maximizing cost containment while ensuring access to
20 quality health care;

21 (b) Development of provider arrangements that encourage cost
22 containment and ensure access to quality care, including but not
23 limited to prepaid delivery systems and prospective payment methods;

24 (c) Wellness incentives that focus on proven strategies, such as
25 smoking cessation, injury and accident prevention, reduction of alcohol
26 misuse, appropriate weight reduction, exercise, automobile and
27 motorcycle safety, blood cholesterol reduction, and nutrition
28 education;

29 (d) Utilization review procedures including, but not limited to a
30 cost-efficient method for prior authorization of services, hospital
31 inpatient length of stay review, requirements for use of outpatient
32 surgeries and second opinions for surgeries, review of invoices or
33 claims submitted by service providers, and performance audit of
34 providers;

35 (e) Effective coordination of benefits;

36 (f) Minimum standards for insuring entities; and

1 (g) Minimum scope and content of public employee benefit plans to
2 be offered to enrollees participating in the employee health benefit
3 plans. To maintain the comprehensive nature of employee health care
4 benefits, employee eligibility criteria related to the number of hours
5 worked and the benefits provided to employees shall be substantially
6 equivalent to the state employees' health benefits plan and eligibility
7 criteria in effect on January 1, 1993. Nothing in this subsection
8 (2)(g) shall prohibit changes or increases in employee point-of-service
9 payments or employee premium payments for benefits.

10 (3) The board shall design benefits and determine the terms and
11 conditions of employee participation and coverage, including
12 establishment of eligibility criteria.

13 (4) The board may authorize premium contributions for an employee
14 and the employee's dependents in a manner that encourages the use of
15 cost-efficient managed health care systems.

16 (5) Employees shall choose participation in one of the health care
17 benefit plans developed by the board and may be permitted to waive
18 coverage under terms and conditions established by the board.

19 (6) The board shall review plans proposed by insuring entities that
20 desire to offer property insurance and/or accident and casualty
21 insurance to state employees through payroll deduction. The board may
22 approve any such plan for payroll deduction by insuring entities
23 holding a valid certificate of authority in the state of Washington and
24 which the board determines to be in the best interests of employees and
25 the state. The board shall promulgate rules setting forth criteria by
26 which it shall evaluate the plans.

27 (7) Before January 1, 1998, the public employees' benefits board
28 shall make available one or more fully insured long-term care insurance
29 plans that comply with the requirements of chapter 48.84 RCW. Such
30 programs shall be made available to eligible employees, retired
31 employees, and retired school employees as well as eligible dependents
32 which, for the purpose of this section, includes the parents of the
33 employee or retiree and the parents of the spouse of the employee or
34 retiree. Employees of local governments and employees of political
35 subdivisions not otherwise enrolled in the public employees' benefits
36 board sponsored medical programs may enroll under terms and conditions
37 established by the administrator, if it does not jeopardize the
38 financial viability of the public employees' benefits board's long-term
39 care offering.

1 (a) Participation of eligible employees or retired employees and
2 retired school employees in any long-term care insurance plan made
3 available by the public employees' benefits board is voluntary and
4 shall not be subject to binding arbitration under chapter 41.56 RCW.
5 Participation is subject to reasonable underwriting guidelines and
6 eligibility rules established by the public employees' benefits board
7 and the health care authority.

8 (b) The employee, retired employee, and retired school employee are
9 solely responsible for the payment of the premium rates developed by
10 the health care authority. The health care authority is authorized to
11 charge a reasonable administrative fee in addition to the premium
12 charged by the long-term care insurer, which shall include the health
13 care authority's cost of administration, marketing, and consumer
14 education materials prepared by the health care authority and the
15 office of the insurance commissioner.

16 (c) To the extent administratively possible, the state shall
17 establish an automatic payroll or pension deduction system for the
18 payment of the long-term care insurance premiums.

19 (d) The public employees' benefits board and the health care
20 authority shall establish a technical advisory committee to provide
21 advice in the development of the benefit design and establishment of
22 underwriting guidelines and eligibility rules. The committee shall
23 also advise the board and authority on effective and cost-effective
24 ways to market and distribute the long-term care product. The
25 technical advisory committee shall be comprised, at a minimum, of
26 representatives of the office of the insurance commissioner, providers
27 of long-term care services, licensed insurance agents with expertise in
28 long-term care insurance, employees, retired employees, retired school
29 employees, and other interested parties determined to be appropriate by
30 the board.

31 (e) The health care authority shall offer employees, retired
32 employees, and retired school employees the option of purchasing long-
33 term care insurance through licensed agents or brokers appointed by the
34 long-term care insurer. The authority, in consultation with the public
35 employees' benefits board, shall establish marketing procedures and may
36 consider all premium components as a part of the contract negotiations
37 with the long-term care insurer.

38 (f) In developing the long-term care insurance benefit designs, the
39 public employees' benefits board shall include an alternative plan of

1 care benefit, including adult day services, as approved by the office
2 of the insurance commissioner.

3 (g) The health care authority, with the cooperation of the office
4 of the insurance commissioner, shall develop a consumer education
5 program for the eligible employees, retired employees, and retired
6 school employees designed to provide education on the potential need
7 for long-term care, methods of financing long-term care, and the
8 availability of long-term care insurance products including the
9 products offered by the board.

10 (h) By December 1998, the health care authority, in consultation
11 with the public employees' benefits board, shall submit a report to the
12 appropriate committees of the legislature, including an analysis of the
13 marketing and distribution of the long-term care insurance provided
14 under this section."

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18 On page 1, line 1 of the title, after "employees;" strike the
19 remainder of the title and insert "and amending RCW 41.05.065."

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