

---

**SENATE BILL 5930**

---

**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senators Keiser, Kohl-Welles, Shin and Rasmussen; by request of Governor Gregoire

Read first time 02/07/2007. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to providing high quality, affordable health care  
2 to Washingtonians based on the recommendations of the blue ribbon  
3 commission on health care costs and access; amending RCW 41.05.220 and  
4 48.41.110; adding new sections to chapter 41.05 RCW; adding a new  
5 section to chapter 74.09 RCW; adding new sections to chapter 43.70 RCW;  
6 adding a new section to chapter 48.20 RCW; adding a new section to  
7 chapter 48.21 RCW; adding a new section to chapter 48.44 RCW; adding a  
8 new section to chapter 48.46 RCW; creating new sections; and providing  
9 an effective date.

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

11 **USE STATE PURCHASING TO IMPROVE HEALTH CARE QUALITY**

12 NEW SECTION. **Sec. 1.** The health care authority and the department  
13 of social and health services shall, by September 1, 2007, develop a  
14 five-year plan to change reimbursement within state purchased health  
15 care programs to:

16 (1) Reward quality health outcomes rather than simply paying for  
17 the receipt of particular services or procedures;

1 (2) Pay for care that reflects patient preference and is of proven  
2 value;

3 (3) Require the use of evidence-based standards of care where  
4 available;

5 (4) Tie provider rate increases to measurable improvements in  
6 access to quality care;

7 (5) Direct enrollees to quality care systems;

8 (6) Better support primary care and provide a medical home to all  
9 enrollees; and

10 (7) Pay for e-mail consultations, telemedicine, and telehealth  
11 where doing so reduces the overall cost of care.

12 The plan shall identify any existing barriers and opportunities to  
13 support implementation, including needed changes to state or federal  
14 law and be submitted to the governor and the legislature upon  
15 completion.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.05 RCW  
17 to read as follows:

18 (1) The health care authority shall implement a pilot for shared  
19 decision making for common medical decisions. The authority shall  
20 select or create not more than two patient decision aids in  
21 collaboration with the state agency medical directors group. Criteria  
22 for selection of the patient decision aids shall include common medical  
23 decisions which have no more than five treatment options, and where  
24 there exists sound evidence about medical effectiveness.

25 (2) The authority shall seek up to two contracts with provider  
26 organizations or health carriers to pilot the use of patient decision  
27 aids. These contracts shall require an evaluation of the resulting  
28 outcomes of utilizing the patient decision aids. The authority shall  
29 provide a report to the governor and the legislature on the pilot  
30 results by June 30, 2009.

31 (3) For purposes of this section:

32 (a) "Patient decision aid" means: (i) High quality, up-to-date  
33 information about the condition, including risk and benefits of  
34 available options and, if appropriate, a discussion of the limits of  
35 scientific knowledge about outcomes; (ii) values clarification to help  
36 patients sort out their values and preferences; and (iii) guidance or

1 coaching in deliberation, designed to improve the patient's involvement  
2 in the decision process; and

3 (b) "Shared decision making" means a process in which the physician  
4 discloses to the patient the risks and benefits associated with all  
5 treatment alternatives, including no treatment, that a reasonable  
6 person in the patient's situation could consider significant in  
7 selecting a particular path of medical care. The patient then shares  
8 with the physician all relevant personal information that might make  
9 one treatment or side effect more or less desirable than others.

10 **PREVENTION AND MANAGEMENT OF CHRONIC ILLNESS**

11 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.09 RCW  
12 to read as follows:

13 (1) The department of social and health services, in collaboration  
14 with the department of health, shall:

15 (a) Design and implement medical homes for its aged, blind, and  
16 disabled clients in conjunction with chronic care management programs  
17 to improve health outcomes, access, and cost-effectiveness. Programs  
18 must be evidence based, facilitating the use of information technology  
19 to improve quality of care, and must improve coordination of primary,  
20 acute, and long-term care for those clients with multiple chronic  
21 conditions. The department shall consider expansion of existing  
22 medical home and chronic care management programs and build on the  
23 Washington state collaborative initiative. The department shall use  
24 best practices in identifying those clients best served under a chronic  
25 care management model using predictive modeling through claims or other  
26 health risk information; and

27 (b) Evaluate the effectiveness of the intensive chronic care  
28 management pilot project that manages the needs of long-term care  
29 clients with multiple chronic conditions and the department's chronic  
30 care management program to determine if the models support medical home  
31 infrastructure and improved client outcomes.

32 (2) For purposes of this section:

33 (a) "Medical home" means a site of care that provides comprehensive  
34 preventive and coordinated care centered on the patient needs and  
35 assures high quality, accessible, and efficient care.

1 (b) "Chronic care management" means the department's program that  
2 provides care management and coordination activities for medical  
3 assistance clients determined to be at risk for high medical costs.  
4 "Chronic care management" provides education and training and/or  
5 coordination that assist program participants in improving self-  
6 management skills to improve health outcomes and reduce medical costs  
7 by educating clients to better utilize services.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.70 RCW  
9 to read as follows:

10 (1) The department shall conduct a program of training and  
11 technical assistance regarding care of people with chronic conditions  
12 for providers of primary care. The program shall emphasize evidence-  
13 based high quality preventive and chronic disease care. The department  
14 may designate one or more chronic conditions to be the subject of the  
15 program.

16 (2) The training and technical assistance program shall include the  
17 following elements:

18 (a) Clinical information systems and sharing and organization of  
19 patient data;

20 (b) Decision support to promote evidence-based care;

21 (c) Clinical delivery system design;

22 (d) Support for patients managing their own conditions; and

23 (e) Identification and use of community resources that are  
24 available in the community for patients and their families.

25 (3) In selecting primary care providers to participate in the  
26 program, the department shall consider the number and type of patients  
27 with chronic conditions the provider serves, and the provider's  
28 participation in the medicaid and medicare programs.

29 **COST AND QUALITY INFORMATION FOR CONSUMERS AND PROVIDERS**

30 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.05 RCW  
31 to read as follows:

32 The Washington state quality forum is established within the  
33 authority. The forum shall collaborate with the Puget Sound health  
34 alliance and other local organizations and shall:

1 (1) Collect and disseminate research regarding health care quality,  
2 evidence-based medicine, and patient safety to promote best practices,  
3 in collaboration with the technology assessment program and the  
4 prescription drug program;

5 (2) Coordinate the collection of health care quality data among  
6 state health care purchasing agencies;

7 (3) Adopt a set of measures to evaluate and compare health care  
8 cost and quality and provider performance;

9 (4) Identify and disseminate information regarding variations in  
10 clinical practice patterns across the state; and

11 (5) Produce an annual quality report detailing clinical practice  
12 patterns identified to purchasers, providers, insurers, and policy  
13 makers.

14 NEW SECTION. **Sec. 6.** A new section is added to chapter 41.05 RCW  
15 to read as follows:

16 (1) The administrator shall design and pilot a consumer-centric  
17 health information infrastructure and the first health record banks  
18 that will facilitate the secure exchange of health information when and  
19 where needed and shall:

20 (a) Complete the plan of initial implementation, including but not  
21 limited to determining the technical infrastructure for health record  
22 banks and the account locator service, setting criteria and standards  
23 for health record banks, and determining oversight of health record  
24 banks;

25 (b) Implement the first health record banks in pilot sites as  
26 funding allows;

27 (c) Involve health care consumers in meaningful ways in design,  
28 implementation, oversight, and dissemination of information on the  
29 health record bank system; and

30 (d) Promote adoption of electronic medical records through  
31 continuation of the Washington health information collaborative, and by  
32 working with private payors and other organizations in restructuring  
33 reimbursement to provide incentives for providers to adopt electronic  
34 medical records in their practices.

35 (2) The administrator may establish an advisory board, a  
36 stakeholder committee, and subcommittees to assist in carrying out the  
37 duties under this section. The administrator may reappoint health

1 information infrastructure advisory board members to assure continuity  
2 and shall appoint any additional representatives that may be required  
3 for their expertise and experience.

4 (a) The administrator shall appoint the chair of the advisory  
5 board, chairs, and cochairs of the stakeholder committee, if formed;

6 (b) Meetings of the board, committee, and any advisory group are  
7 subject to chapter 42.30 RCW, the open public meetings act, including  
8 RCW 42.30.110(1)(1), which authorizes an executive session during a  
9 regular or special meeting to consider proprietary or confidential  
10 nonpublished information; and

11 (c) The members of the committee and any advisory group:

12 (i) Shall agree to the terms and conditions imposed by the  
13 administrator regarding conflicts of interest as a condition of  
14 appointment;

15 (ii) Are immune from civil liability for any official acts  
16 performed in good faith as members of the committee; and

17 (iii) May be compensated for participation in the work of the  
18 committee in accordance with a personal services contract to be  
19 executed after appointment and before commencement of activities  
20 related to the work of the board.

21 (3) The administrator may work with public and private entities to  
22 develop and encourage the use of personal health records which are  
23 portable, interoperable, secure, and respectful of patients' privacy.

24 (4) The administrator may enter into contracts to issue,  
25 distribute, and administer grants that are necessary or proper to carry  
26 out this section.

27 **REDUCING UNNECESSARY EMERGENCY ROOM USE**

28 **Sec. 7.** RCW 41.05.220 and 1998 c 245 s 38 are each amended to read  
29 as follows:

30 (1) State general funds appropriated to the department of health  
31 for the purposes of funding community health centers to provide primary  
32 health and dental care services, migrant health services, and maternity  
33 health care services shall be transferred to the state health care  
34 authority. Any related administrative funds expended by the department  
35 of health for this purpose shall also be transferred to the health care  
36 authority. The health care authority shall exclusively expend these

1 funds through contracts with community health centers to provide  
2 primary health and dental care services, migrant health services, and  
3 maternity health care services. The administrator of the health care  
4 authority shall establish requirements necessary to assure community  
5 health centers provide quality health care services that are  
6 appropriate and effective and are delivered in a cost-efficient manner.  
7 The administrator shall further assure that community health centers  
8 have appropriate referral arrangements for acute care and medical  
9 specialty services not provided by the community health centers.

10 (2) The authority, in consultation with the department of health,  
11 shall work with community and migrant health clinics and other  
12 providers of care to underserved populations, to ensure that the number  
13 of people of color and underserved people receiving access to managed  
14 care is expanded in proportion to need, based upon demographic data.

15 (3) In contracting with community health centers to provide primary  
16 health and dental services, migrant health services, and maternity  
17 health care services under subsection (1) of this section the authority  
18 shall give priority to those community health centers working with  
19 local hospitals to successfully reduce unnecessary emergency room use.

20 NEW SECTION. Sec. 8. The Washington state health care authority  
21 and the department of social and health services shall report to the  
22 legislature by December 1, 2007, on recent trends in unnecessary  
23 emergency room use by enrollees in state purchased health care  
24 programs, and then partner with community organizations and local  
25 health care providers to design a demonstration pilot to reduce such  
26 unnecessary visits.

27 **REDUCE HEALTH CARE ADMINISTRATIVE COSTS**

28 NEW SECTION. Sec. 9. By September 1, 2007, the insurance  
29 commissioner shall provide a report to the governor and the legislature  
30 that identifies the key contributors to health care administrative  
31 costs and evaluates opportunities to reduce them, including suggested  
32 changes to state law. The report shall be completed in collaboration  
33 with health care providers, carriers, state health purchasing agencies,  
34 the Washington healthcare forum, and other interested parties.





1 under the age of twenty-five regardless of whether the dependent is  
2 enrolled in an educational institution.

3 NEW SECTION. **Sec. 14.** A new section is added to chapter 48.46 RCW  
4 to read as follows:

5 (1) Any individual health maintenance agreement that provides  
6 coverage for a subscriber's dependent must offer the option of covering  
7 any unmarried dependent under the age of twenty-five regardless of  
8 whether the dependent is enrolled in an educational institution.

9 (2) Any group health maintenance agreement that provides coverage  
10 for a participating member's dependent must offer each participating  
11 member the option of covering any unmarried dependent under the age of  
12 twenty-five regardless of whether the dependent is enrolled in an  
13 educational institution.

14 **WASHINGTON HEALTH INSURANCE CONNECTOR**

15 NEW SECTION. **Sec. 15.** A new section is added to chapter 41.05 RCW  
16 to read as follows:

17 (1) The authority, in collaboration with an advisory board  
18 established under subsection (3) of this section, shall design a  
19 Washington health insurance connector and submit implementing  
20 legislation and supporting information, including funding options, to  
21 the governor and the legislature by December 1, 2007. The connector  
22 shall be designed to serve as a statewide, public-private partnership,  
23 offering maximum value for Washington state residents, through which  
24 nonlarge group health insurance may be bought and sold. It is the goal  
25 of the connector to:

26 (a) Ensure that employees of small businesses and other individuals  
27 can find affordable health insurance;

28 (b) Provide a mechanism for small businesses to contribute to their  
29 employees' coverage without the administrative burden of directly  
30 shopping or contracting for insurance;

31 (c) Ensure that individuals can access coverage as they change  
32 and/or work in multiple jobs;

33 (d) Coordinate with other state agency health insurance assistance  
34 programs, including the department of social and health services

1 medical assistance programs and the authority's basic health program;  
2 and

3 (e) Lead the health insurance marketplace in implementation of  
4 evidence-based medicine, data transparency, prevention and wellness  
5 incentives, and outcome-based reimbursement.

6 (2) In designing the connector, the authority shall:

7 (a) Address all operational and governance issues;

8 (b) Consider best practices in the private and public sectors  
9 regarding, but not limited to, such issues as risk and/or purchasing  
10 pooling, market competition drivers, risk selection, and consumer  
11 choice and responsibility incentives; and

12 (c) Address key functions of the connector, including but not  
13 limited to:

14 (i) Methods for small businesses and their employees to realize tax  
15 benefits from their financial contributions;

16 (ii) Options for offering choice among a broad array of affordable  
17 insurance products designed to meet individual needs, including waiving  
18 some current regulatory requirements. Options may include a health  
19 savings account/high-deductible health plan, a comprehensive health  
20 benefit plan, and other benchmark plans;

21 (iii) Benchmarking health insurance products to a reasonable  
22 standard to enable individuals to make an informed choice of the  
23 coverage that is right for them;

24 (iv) Aggregating premium contributions for an individual from  
25 multiple sources: Employers, individuals, philanthropies, and  
26 government;

27 (v) Mechanisms to collect and distribute workers' enrollment  
28 information and premium payments to the health plan of their choice;

29 (vi) Mechanisms for spreading health risk widely to support health  
30 insurance premiums that are more affordable;

31 (vii) Opportunities to reward carriers and consumers whose behavior  
32 is consistent with quality, efficiency, and evidence-based best  
33 practices;

34 (viii) Coordination of the transmission of premium assistance  
35 payments with the department of social and health services for  
36 individuals eligible for the department's employer-sponsored insurance  
37 program.

1 (3) The authority shall appoint an advisory board and designate a  
2 chair. Members of the advisory board shall receive no compensation,  
3 but shall be reimbursed for expenses under RCW 43.03.050 and 43.03.060.  
4 Meetings of the board are subject to chapter 42.30 RCW, the open public  
5 meetings act, including RCW 42.30.110(1)(1), which authorizes an  
6 executive session during a regular or special meeting to consider  
7 proprietary or confidential nonpublished information.

8 (4) The authority may enter into contracts to issue, distribute,  
9 and administer grants that are necessary or proper to carry out the  
10 requirements of this section.

11 **SUSTAINABILITY AND ACCESS TO PUBLIC PROGRAMS**

12 NEW SECTION. **Sec. 16.** (1) The department of social and health  
13 services shall seek necessary federal waivers and state plan amendments  
14 to expand coverage and leverage federal and state resources for the  
15 state's basic health program, for the medical assistance program, as  
16 codified at Title XIX of the federal social security act, and the  
17 state's children's health insurance program, as codified at Title XXI  
18 of the federal social security act. The department shall propose  
19 options including but not limited to:

20 (a) Offering alternative benefit designs to promote high quality  
21 care, improve health outcomes, and encourage cost-effective treatment  
22 options, including benefit designs that discourage the use of emergency  
23 rooms for nonemergent care, and redirect savings to finance additional  
24 coverage;

25 (b) Creation of a health opportunity account demonstration program;  
26 and

27 (c) Promoting private health insurance plans and premium subsidies  
28 to purchase employer-sponsored insurance wherever possible, including  
29 federal approval to expand the department's employer-sponsored  
30 insurance premium assistance program to enrollees covered through the  
31 state's children's health insurance program.

32 (2) When the department of social and health services determines  
33 that it is cost-effective to enroll a client and/or his or her  
34 dependents through an employer-sponsored health plan or any other  
35 health plan offered by a carrier, the carrier shall permit enrollment

1 to those otherwise eligible for coverage in the health plan without  
2 regard to any open enrollment season restrictions.

3 (3) The department of social and health services, in collaboration  
4 with the Washington state health care authority, shall ensure that  
5 enrollees are not simultaneously enrolled in the state's basic health  
6 program and the medical assistance program or the state's children's  
7 health insurance program to ensure coverage for the maximum number of  
8 people within available funds. Priority enrollment in the basic health  
9 program shall be given to those who disenrolled from the program in  
10 order to enroll in medicaid, and subsequently became ineligible for  
11 medicaid coverage.

## 12 REINSURANCE

13 NEW SECTION. **Sec. 17.** (1) The office of financial management, in  
14 collaboration with the office of the insurance commissioner, shall  
15 design a state-supported reinsurance program to address the impact of  
16 high cost enrollees in the individual and small group health insurance  
17 markets, and submit implementing legislation and supporting  
18 information, including financing options, to the governor and the  
19 legislature by December 1, 2007. In designing the program, the office  
20 of financial management shall:

21 (a) Estimate the quantitative impact on premium savings, premium  
22 stability over time and across groups of enrollees, individual and  
23 employer take-up, number of uninsured, and government costs associated  
24 with a government-funded stop-loss insurance program, including  
25 distinguishing between one-time premium savings and savings in  
26 subsequent years;

27 (b) Identify all relevant design issues and alternative options for  
28 each issue. Where quantitative impacts cannot be estimated, the office  
29 of financial management shall assess qualitative impacts of design  
30 issues and their options, including potential disincentives for  
31 reducing premiums, achieving premium stability, sustaining/increasing  
32 take-up, decreasing the number of uninsured, and managing government's  
33 stop-loss insurance costs;

34 (c) Identify market and regulatory changes needed to maximize the  
35 chance of the program achieving its policy goals, including how the  
36 program will relate to other coverage programs and markets;

1 (d) Address conditions under which overall expenditures could  
2 increase as a result of a government-funded stop-loss program and  
3 options to mitigate those conditions, such as passive versus aggressive  
4 use of disease and care management programs by insurers;

5 (e) Evaluate, and quantify where possible, the behavioral responses  
6 of insurers to the program including impacts on insurer premiums and  
7 practices for settling legal disputes around large claims; and

8 (f) Provide alternatives for transitioning from the status quo and,  
9 where applicable, alternatives for phasing in some design elements,  
10 such as threshold or corridor levels, to balance government costs and  
11 premium savings.

12 (2) Within funds specifically appropriated for this purpose, the  
13 office of financial management may contract with actuaries and other  
14 experts as necessary to meet the requirements of this section.

15 **THE WASHINGTON STATE HEALTH INSURANCE POOL**

16 **Sec. 18.** RCW 48.41.110 and 2001 c 196 s 4 are each amended to read  
17 as follows:

18 (1) The pool shall offer one or more care management plans of  
19 coverage. Such plans may, but are not required to, include point of  
20 service features that permit participants to receive in-network  
21 benefits or out-of-network benefits subject to differential cost  
22 shares. (~~Covered persons enrolled in the pool on January 1, 2001, may~~  
23 ~~continue coverage under the pool plan in which they are enrolled on~~  
24 ~~that date. However,~~) The pool may incorporate managed care features  
25 and requirements to participate in chronic care and disease management  
26 and evidence-based protocols into ((such)) existing plans.

27 (2) The administrator shall prepare a brochure outlining the  
28 benefits and exclusions of ((the)) pool ((policy)) policies in plain  
29 language. After approval by the board, such brochure shall be made  
30 reasonably available to participants or potential participants.

31 (3) The health insurance ((policy)) policies issued by the pool  
32 shall pay only reasonable amounts for medically necessary eligible  
33 health care services rendered or furnished for the diagnosis or  
34 treatment of covered illnesses, injuries, and conditions (~~which are~~  
35 ~~not otherwise limited or excluded~~). Eligible expenses are the  
36 reasonable amounts for the health care services and items for which

1 benefits are extended under ((the)) a pool policy. ((Such benefits  
2 shall at minimum include, but not be limited to, the following services  
3 or related items))

4 (4) The pool shall offer at least one policy which at a minimum  
5 includes, but is not limited to, the following services or related  
6 items:

7 (a) Hospital services, including charges for the most common  
8 semiprivate room, for the most common private room if semiprivate rooms  
9 do not exist in the health care facility, or for the private room if  
10 medically necessary, but limited to a total of one hundred eighty  
11 inpatient days in a calendar year, and limited to thirty days inpatient  
12 care for mental and nervous conditions, or alcohol, drug, or chemical  
13 dependency or abuse per calendar year;

14 (b) Professional services including surgery for the treatment of  
15 injuries, illnesses, or conditions, other than dental, which are  
16 rendered by a health care provider, or at the direction of a health  
17 care provider, by a staff of registered or licensed practical nurses,  
18 or other health care providers;

19 (c) The first twenty outpatient professional visits for the  
20 diagnosis or treatment of one or more mental or nervous conditions or  
21 alcohol, drug, or chemical dependency or abuse rendered during a  
22 calendar year by one or more physicians, psychologists, or community  
23 mental health professionals, or, at the direction of a physician, by  
24 other qualified licensed health care practitioners, in the case of  
25 mental or nervous conditions, and rendered by a state certified  
26 chemical dependency program approved under chapter 70.96A RCW, in the  
27 case of alcohol, drug, or chemical dependency or abuse;

28 (d) Drugs and contraceptive devices requiring a prescription;

29 (e) Services of a skilled nursing facility, excluding custodial and  
30 convalescent care, for not more than one hundred days in a calendar  
31 year as prescribed by a physician;

32 (f) Services of a home health agency;

33 (g) Chemotherapy, radioisotope, radiation, and nuclear medicine  
34 therapy;

35 (h) Oxygen;

36 (i) Anesthesia services;

37 (j) Prostheses, other than dental;

1 (k) Durable medical equipment which has no personal use in the  
2 absence of the condition for which prescribed;

3 (l) Diagnostic x-rays and laboratory tests;

4 (m) Oral surgery limited to the following: Fractures of facial  
5 bones; excisions of mandibular joints, lesions of the mouth, lip, or  
6 tongue, tumors, or cysts excluding treatment for temporomandibular  
7 joints; incision of accessory sinuses, mouth salivary glands or ducts;  
8 dislocations of the jaw; plastic reconstruction or repair of traumatic  
9 injuries occurring while covered under the pool; and excision of  
10 impacted wisdom teeth;

11 (n) Maternity care services;

12 (o) Services of a physical therapist and services of a speech  
13 therapist;

14 (p) Hospice services;

15 (q) Professional ambulance service to the nearest health care  
16 facility qualified to treat the illness or injury; and

17 (r) Other medical equipment, services, or supplies required by  
18 physician's orders and medically necessary and consistent with the  
19 diagnosis, treatment, and condition.

20 ~~((+4))~~ (5) The pool shall offer at least one policy which closely  
21 adheres to benefits available in the private, individual market.

22 (6) The board shall design and employ cost containment measures and  
23 requirements such as, but not limited to, care coordination, provider  
24 network limitations, preadmission certification, and concurrent  
25 inpatient review which may make the pool more cost-effective.

26 ~~((+5))~~ (7) The pool benefit policy may contain benefit  
27 limitations, exceptions, and cost shares such as copayments,  
28 coinsurance, and deductibles that are consistent with managed care  
29 products, except that differential cost shares may be adopted by the  
30 board for nonnetwork providers under point of service plans. The pool  
31 benefit policy cost shares and limitations must be consistent with  
32 those that are generally included in health plans approved by the  
33 insurance commissioner; however, no limitation, exception, or reduction  
34 may be used that would exclude coverage for any disease, illness, or  
35 injury.

36 ~~((+6))~~ (8) The pool may not reject an individual for health plan  
37 coverage based upon preexisting conditions of the individual or deny,  
38 exclude, or otherwise limit coverage for an individual's preexisting

1 health conditions; except that it shall impose a six-month benefit  
2 waiting period for preexisting conditions for which medical advice was  
3 given, for which a health care provider recommended or provided  
4 treatment, or for which a prudent layperson would have sought advice or  
5 treatment, within six months before the effective date of coverage.  
6 The preexisting condition waiting period shall not apply to prenatal  
7 care services. The pool may not avoid the requirements of this section  
8 through the creation of a new rate classification or the modification  
9 of an existing rate classification. Credit against the waiting period  
10 shall be as provided in subsection ~~((7))~~ (9) of this section.

11 ~~((7))~~ (9)(a) Except as provided in (b) of this subsection, the  
12 pool shall credit any preexisting condition waiting period in its plans  
13 for a person who was enrolled at any time during the sixty-three day  
14 period immediately preceding the date of application for the new pool  
15 plan. For the person previously enrolled in a group health benefit  
16 plan, the pool must credit the aggregate of all periods of preceding  
17 coverage not separated by more than sixty-three days toward the waiting  
18 period of the new health plan. For the person previously enrolled in  
19 an individual health benefit plan other than a catastrophic health  
20 plan, the pool must credit the period of coverage the person was  
21 continuously covered under the immediately preceding health plan toward  
22 the waiting period of the new health plan. For the purposes of this  
23 subsection, a preceding health plan includes an employer-provided self-  
24 funded health plan.

25 (b) The pool shall waive any preexisting condition waiting period  
26 for a person who is an eligible individual as defined in section  
27 2741(b) of the federal health insurance portability and accountability  
28 act of 1996 (42 U.S.C. 300gg-41(b)).

29 ~~((8))~~ (10) If an application is made for the pool policy as a  
30 result of rejection by a carrier, then the date of application to the  
31 carrier, rather than to the pool, should govern for purposes of  
32 determining preexisting condition credit.

33 (11) The pool shall contract with organizations that provide care  
34 management that has been demonstrated to be effective and shall require  
35 that enrollees who are eligible for care management services  
36 participate in such programs on a continuous basis as a condition of  
37 receiving pool coverage.





1 (a) The *Standards for Public Health* shall serve as the basic  
2 framework for evaluating each local health jurisdiction's ability to  
3 meet minimum expectations to perform public health functions;

4 (b) A measurement of every local jurisdiction shall be conducted no  
5 less than every third year;

6 (c) The department shall participate in the standards measurement  
7 process so that state-level support of the public health system is  
8 demonstrated; and

9 (d) Each local jurisdiction shall develop a quality improvement  
10 plan to use standards measurement results to improve capacity to meet  
11 public health standards prior to the next measurement cycle.

12 **PREVENTION AND HEALTH PROMOTION**

13 NEW SECTION. **Sec. 20.** The Washington state health care authority,  
14 the department of social and health services, the department of labor  
15 and industries, and the department of health shall, by September 1,  
16 2007, develop a five-year plan to integrate disease and accident  
17 prevention and health promotion into state health programs by:

18 (1) Structuring benefits and reimbursements to promote healthy  
19 choices and disease and accident prevention;

20 (2) Requiring enrollees in state health programs to complete a  
21 health assessment, and providing appropriate follow up;

22 (3) Reimbursing for cost-effective prevention activities;

23 (4) Developing prevention and health promotion contracting  
24 standards for state programs that contract with health carriers; and

25 (5) Strengthening the state's employee wellness program in  
26 partnership with the state's health and productivity committee.

27 The plan shall identify any existing barriers and opportunities to  
28 support implementation, including needed changes to state or federal  
29 law, and be submitted to the governor and the legislature upon  
30 completion.

31 NEW SECTION. **Sec. 21.** Subheadings used in this act are not any  
32 part of the law.

1        NEW SECTION.   **Sec. 22.**   Sections 10 through 14 of this act take  
2   effect January 1, 2008.

--- END ---