

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 1714

Chapter 172, Laws of 2010

61st Legislature
2010 Regular Session

SMALL GROUP AND ASSOCIATION HEALTH PLANS--COLLECTION OF DATA

EFFECTIVE DATE: 06/10/10

Passed by the House March 6, 2010
Yeas 60 Nays 35

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 4, 2010
Yeas 47 Nays 1

BRAD OWEN

President of the Senate

Approved March 23, 2010, 2:09 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1714** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 23, 2010

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1714

AS AMENDED BY THE SENATE

Passed Legislature - 2010 Regular Session

State of Washington **61st Legislature** **2010 Regular Session**

By House Health Care & Wellness (originally sponsored by
Representatives Cody, Morrell, Green, and Moeller)

READ FIRST TIME 02/17/09.

1 AN ACT Relating to association health plans; amending RCW
2 42.56.400; creating a new section; and providing an expiration date.

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

4 NEW SECTION. **Sec. 1.** (1) The insurance commissioner shall prepare
5 and submit a report to the legislature related to the performance of
6 the small group health plan market and the association health plan
7 market. To the extent that the data needed to complete the report are
8 not readily available, the commissioner may require carriers to submit
9 aggregated data for the small group health plans and association health
10 plans underwritten or administered by the carrier, for each calendar
11 year 2005 through 2008. Data submitted shall not identify specific
12 small group plans or association health plans, and the report shall not
13 identify specific small group or association health plans or present
14 data in a manner that allows identification of specific plans.
15 Carriers who underwrite or administer an association health plan that
16 covers fewer than ten thousand lives in any year reported may, at their
17 own expense, contract with a third party to aggregate and report the
18 information required under this section with that of other carriers who
19 qualify for this option. The data must be reported separately for the

1 carrier's small group health plan block of business and association
2 health plan block of business, and must include the following
3 information:

4 (a) The number of persons residing in Washington state who receive
5 health benefit coverage through each block of business, including the
6 number of persons enrolled in the plans on the first day and last day
7 of each year, the number of persons enrolled in the plans during each
8 year, and the number of persons who terminated enrollment in the plans
9 during each year;

10 (b) The calendar year-end enrollment of each block of business, by
11 age group using five-year increments beginning with age twenty and
12 ending with age sixty-five, and the average age of persons covered in
13 each block of business;

14 (c) The calendar year-end enrollment of each block of business by
15 employer size for each year, reporting by groups of two to five, six to
16 ten, eleven to twenty-five, twenty-six to fifty, fifty-one to one
17 hundred, and more than one hundred;

18 (d) The annual calendar year earned premium and incurred claims for
19 each block of business;

20 (e) For the association health plan block of business, the number
21 of association health plans that limit eligibility for health plan
22 coverage to employer groups of a minimum size, or that limit
23 eligibility for health plan coverage to a subset of the industries that
24 the association sponsoring the health plan was established to serve,
25 and the percentage of health plan enrollees for whom each of the
26 following elements is used in setting health plan rates:

- 27 (i) Claims experience;
- 28 (ii) Employer group size; or
- 29 (iii) Health status factors.

30 (2) In fulfilling the requirements of subsection (1) of this
31 section the commissioner may adopt rules necessary to implement the
32 data submission administrative process under this section, including
33 the format, timing of data reporting, data standards, instructions,
34 definitions, and data sources. The commissioner is prohibited from
35 collecting data from carriers if any rules necessary to implement the
36 data submission administrative process have not been adopted.

37 (3) The commissioner must allow carriers a minimum of ninety days
38 to submit data once carriers have received instructions.

1 (4) For the purposes of this subsection, the terms "association
2 health plan" and "association plan" shall include all member-governed
3 group health plans and multiple employer welfare arrangements and any
4 other arrangement to which two or more public or private employers, of
5 which at least two are small employers, contribute to provide health
6 care for their employees.

7 (5) Data, information, and documents provided by a carrier pursuant
8 to this section are exempt from public inspection and copying under RCW
9 48.02.120 and chapters 42.17 and 42.56 RCW.

10 (6) The commissioner may enter into a personal services contract
11 with a third-party contractor to assist with the analysis of the data
12 described in subsection (1) of this section without having to comply
13 with the restrictions set forth in sections 602 and 605, chapter 3,
14 Laws of 2010. The third-party experts that prepare the analysis and
15 report for the insurance commissioner shall submit the report directly
16 to the appropriate committees of the legislature and the insurance
17 commissioner. The report shall be submitted to the legislature no
18 later than October 1, 2011.

19 (7) This section expires September 30, 2011.

20 **Sec. 2.** RCW 42.56.400 and 2009 c 104 s 23 are each amended to read
21 as follows:

22 The following information relating to insurance and financial
23 institutions is exempt from disclosure under this chapter:

24 (1) Records maintained by the board of industrial insurance appeals
25 that are related to appeals of crime victims' compensation claims filed
26 with the board under RCW 7.68.110;

27 (2) Information obtained and exempted or withheld from public
28 inspection by the health care authority under RCW 41.05.026, whether
29 retained by the authority, transferred to another state purchased
30 health care program by the authority, or transferred by the authority
31 to a technical review committee created to facilitate the development,
32 acquisition, or implementation of state purchased health care under
33 chapter 41.05 RCW;

34 (3) The names and individual identification data of either all
35 owners or all insureds, or both, received by the insurance commissioner
36 under chapter 48.102 RCW;

37 (4) Information provided under RCW 48.30A.045 through 48.30A.060;

1 (5) Information provided under RCW 48.05.510 through 48.05.535,
2 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600
3 through 48.46.625;

4 (6) Examination reports and information obtained by the department
5 of financial institutions from banks under RCW 30.04.075, from savings
6 banks under RCW 32.04.220, from savings and loan associations under RCW
7 33.04.110, from credit unions under RCW 31.12.565, from check cashers
8 and sellers under RCW 31.45.030(3), and from securities brokers and
9 investment advisers under RCW 21.20.100, all of which is confidential
10 and privileged information;

11 (7) Information provided to the insurance commissioner under RCW
12 48.110.040(3);

13 (8) Documents, materials, or information obtained by the insurance
14 commissioner under RCW 48.02.065, all of which are confidential and
15 privileged;

16 (9) Confidential proprietary and trade secret information provided
17 to the commissioner under RCW 48.31C.020 through 48.31C.050 and
18 48.31C.070;

19 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
20 7.70.140 that, alone or in combination with any other data, may reveal
21 the identity of a claimant, health care provider, health care facility,
22 insuring entity, or self-insurer involved in a particular claim or a
23 collection of claims. For the purposes of this subsection:

24 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).

25 (b) "Health care facility" has the same meaning as in RCW
26 48.140.010(6).

27 (c) "Health care provider" has the same meaning as in RCW
28 48.140.010(7).

29 (d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

30 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

31 (11) Documents, materials, or information obtained by the insurance
32 commissioner under RCW 48.135.060;

33 (12) Documents, materials, or information obtained by the insurance
34 commissioner under RCW 48.37.060;

35 (13) Confidential and privileged documents obtained or produced by
36 the insurance commissioner and identified in RCW 48.37.080;

37 (14) Documents, materials, or information obtained by the insurance
38 commissioner under RCW 48.37.140;

1 (15) Documents, materials, or information obtained by the insurance
2 commissioner under RCW 48.17.595; (~~and~~)

3 (16) Documents, materials, or information obtained by the insurance
4 commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7)(a)(ii);
5 and

6 (17) Data, information, and documents provided by a carrier
7 pursuant to section 1 of this act.

Passed by the House March 6, 2010.

Passed by the Senate March 4, 2010.

Approved by the Governor March 23, 2010.

Filed in Office of Secretary of State March 23, 2010.