

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 1890**

Chapter 284, Laws of 2015

64th Legislature  
2015 Regular Session

HEALTH PLAN ISSUERS--PAYMENTS

EFFECTIVE DATE: 7/24/2015

Passed by the House March 9, 2015  
Yeas 98 Nays 0

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate April 13, 2015  
Yeas 47 Nays 0

BRAD OWEN

**President of the Senate**

Approved May 18, 2015 1:53 PM

JAY INSLEE

**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 HOUSE BILL 1890** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

**Chief Clerk**

FILED

May 18, 2015

**Secretary of State  
State of Washington**

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ENGROSSED HOUSE BILL 1890

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Passed Legislature - 2015 Regular Session

State of Washington

64th Legislature

2015 Regular Session

By Representatives Schmick and Cody

Read first time 02/02/15. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to a second-party payment process for paying  
2 insurers; adding a new section to chapter 48.43 RCW; and creating a  
3 new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that under  
6 regulations implementing the federal patient protection and  
7 affordable care act, issuers offering individual market qualified  
8 health plans are required to accept third-party premium and cost-  
9 sharing payments from the Ryan White HIV/AIDS program under Title  
10 XXVI of the public health service act, Indian tribes, tribal  
11 organizations or urban Indian organizations, and state and federal  
12 government programs. However, federal regulators have stated that  
13 they have serious concerns about payments made on a third-party basis  
14 by hospitals, health care providers, and other commercial entities  
15 using their own funds because of the potential that such payments  
16 could cause distortions in the insurance market.

17 (2) The legislature intends to clarify that an entity that makes  
18 premium payments from accounts that are owned and controlled by the  
19 covered person do not constitute a third party for the purposes of  
20 acceptance of premium payments by an issuer. The legislature does not  
21 intend to impact third-party payment programs required under federal

1 law, including, but not limited to, federal guidance implementing the  
2 federal patient protection and affordable care act.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.43  
4 RCW to read as follows:

5 (1) For the purposes of this section, "second-party payment  
6 process" means a process in which: (a) An individual has an account  
7 under his or her name maintained with a financial institution and is  
8 either managed by the financial institution or an entity that, with  
9 the express agreement with the individual, has established the  
10 account on behalf of the individual with a financial institution; (b)  
11 the account is funded with funds from the individual or his or her  
12 family members or in a manner otherwise consistent with federal law  
13 including, but not limited to, federal guidance implementing the  
14 federal patient protection and affordable care act; and (c) the  
15 account is under the control of the covered person, such that the  
16 covered person may authorize payments from the account.

17 (2) All issuers must accept any payments made by a second-party  
18 payment process; however, no issuer need accept payment by a second-  
19 party payment process if the second-party payer is controlled by or  
20 receives funding from any entity where such entity may be reimbursed  
21 by an issuer for providing health care services or if the account  
22 under the control of the covered person is funded by any such entity,  
23 except those third-party entities from whom federal law requires such  
24 issuer to accept payment.

25 (3) Payments made under subsection (2) of this section may be  
26 made with any legal tender denominated in United States dollars.

Passed by the House March 9, 2015.  
Passed by the Senate April 13, 2015.  
Approved by the Governor May 18, 2015.  
Filed in Office of Secretary of State May 18, 2015.

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