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**SENATE BILL 5526**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senators Frockt, Cleveland, Kuderer, Randall, Keiser, Dhingra, Conway, Wellman, Darneille, Hunt, Hobbs, Das, Lias, Nguyen, Pedersen, Rolfes, Saldaña, and Van De Wege; by request of Office of the Governor

Read first time 01/23/19. Referred to Committee on Health & Long Term Care.

1 AN ACT Relating to increasing the availability of quality,  
2 affordable health coverage in the individual market; adding a new  
3 section to chapter 43.71 RCW; adding a new section to chapter 42.56  
4 RCW; adding a new section to chapter 41.05 RCW; creating a new  
5 section; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.71  
8 RCW to read as follows:

9 (1) The exchange, in consultation with the commissioner, the  
10 authority, an independent actuary, and other stakeholders, must  
11 establish up to three standardized health plans for each of the  
12 bronze, silver, and gold levels.

13 (a) The standardized health plans must be designed to reduce  
14 deductibles, make more services available before the deductible,  
15 provide predictable cost sharing, maximize subsidies, limit adverse  
16 premium impacts, reduce barriers to maintaining and improving health,  
17 and encourage choice based on value, while limiting increases in  
18 health plan premium rates.

19 (b) The silver standardized health plan must have an actuarial  
20 value between sixty-eight and seventy percent.

1 (c) The exchange may update the standardized health plans  
2 annually.

3 (d) The exchange must provide a notice and public comment period  
4 before finalizing each year's standardized health plans.

5 (e) The exchange must provide written notice of the standardized  
6 health plans to licensed health carriers by January 31st before the  
7 year in which the health plans are to be offered on the exchange.

8 (2)(a) Beginning January 1, 2021, any health carrier offering a  
9 qualified health plan on the exchange must offer one silver  
10 standardized health plan and one gold standardized health plan on the  
11 exchange. If a health carrier offers a bronze health plan on the  
12 exchange, it must offer one bronze standardized health plan on the  
13 exchange.

14 (b) For plan years 2021 through 2024, a health carrier offering a  
15 standardized health plan under this section may also offer  
16 nonstandardized health plans on the exchange subject to the  
17 following:

18 (i) For plan years 2021 and 2022, a health carrier may offer an  
19 unlimited number of nonstandardized health plans on the exchange;

20 (ii) For plan years 2023 and 2024, a health carrier may not offer  
21 more than three nonstandardized health plans in each of the bronze,  
22 silver, and gold levels on the exchange; and

23 (iii) The actuarial value of nonstandardized silver health plans  
24 offered on the exchange may not be less than the actuarial value of  
25 the standardized silver health plan.

26 (c) For health plan years beginning in 2025, a health carrier may  
27 not offer nonstandardized health plans in any metal level on the  
28 exchange.

29 (d) A health carrier offering a standardized health plan on the  
30 exchange under this section must continue to meet all requirements  
31 for qualified health plan certification under RCW 43.71.065  
32 including, but not limited to, requirements relating to rate review  
33 and network adequacy.

34 NEW SECTION. **Sec. 2.** A new section is added to chapter 42.56  
35 RCW to read as follows:

36 Any data submitted by health carriers to the health benefit  
37 exchange for purposes of establishing standardized benefit plans  
38 under section 1 of this act are confidential and exempt from  
39 disclosure under this chapter.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 41.05  
2 RCW to read as follows:

3        (1) The authority, in consultation with the health benefit  
4 exchange, must contract with one or more health carriers to offer  
5 silver and gold qualified health plans on the Washington health  
6 benefit exchange for plan years beginning in 2021. A qualified health  
7 plan offered under this section must meet the following criteria:

8        (a) The qualified health plan must be a standardized health plan  
9 established under section 1 of this act;

10       (b) The qualified health plan must meet all requirements for  
11 qualified health plan certification under RCW 43.71.065 including,  
12 but not limited to, requirements relating to rate review and network  
13 adequacy;

14       (c) The qualified health plan must incorporate recommendations of  
15 the Robert Bree collaborative and the health technology assessment  
16 program; and

17       (d) The qualified health plan's fee-for-service rates for  
18 providers and facilities may not exceed the medicare rates for the  
19 same or similar covered services in the same or similar geographic  
20 area. For reimbursement methodologies other than fee-for-service, the  
21 aggregate amount the qualified health plan pays to providers and  
22 facilities may not exceed the equivalent of the aggregate amount the  
23 qualified health plan would have reimbursed providers and facilities  
24 using fee-for-service medicare rates.

25       (2) When implementing this section, the director must use a  
26 request for qualifications process. The director must review the  
27 qualifications of health carriers seeking to offer qualified health  
28 plans under this section and may negotiate with the health plans to  
29 the extent necessary to refine the health carriers' responses. The  
30 director must contract with all health carriers who meet the minimum  
31 qualifications.

32       (3) Nothing in this section prohibits a health carrier offering  
33 qualified health plans under this section from offering other health  
34 plans in the individual market.

35       NEW SECTION.    **Sec. 4.**    (1) The Washington health benefit  
36 exchange, in consultation with the health care authority and the  
37 insurance commissioner, must develop a plan to implement and fund  
38 premium subsidies for individuals whose modified adjusted gross  
39 incomes are less than five hundred percent of the federal poverty

1 level and who are purchasing individual market coverage on the  
2 exchange. The goal of the plan is to enable participating individuals  
3 to spend no more than ten percent of their modified adjusted gross  
4 incomes on premiums. The plan must also include an assessment of  
5 providing cost-sharing reductions to plan participants.

6 (2) The Washington health benefit exchange must submit the plan,  
7 along with proposed implementing legislation, to the appropriate  
8 committees of the legislature by November 15, 2020.

9 (3) This section expires January 1, 2021.

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