
SENATE BILL 6451

State of Washington

66th Legislature

2020 Regular Session

By Senators Frockt, Lovelett, Hunt, Keiser, Salomon, Darneille, Randall, Hasegawa, Nguyen, Wellman, Kuderer, Das, Liias, Conway, Saldaña, Van De Wege, and Wilson, C.

Read first time 01/17/20. Referred to Committee on Ways & Means.

1 AN ACT Relating to funding for individuals who are not eligible
2 for federal insurance subsidies and for foundational public health
3 services; reenacting and amending RCW 43.84.092; adding a new section
4 to chapter 48.43 RCW; adding a new section to chapter 43.70 RCW;
5 creating a new section; and providing an effective date.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that nonprofit
8 health insurance carriers in the state must:

9 (a) Be committed to a nonprofit corporate structure;

10 (b) Provide individuals, businesses, and other groups with
11 affordable and accessible health insurance; and

12 (c) Recognize a responsibility to contribute to the improvement
13 of the overall health status of the residents of the jurisdictions in
14 which they operate.

15 (2) The legislature further finds that access to health insurance
16 and public services play a critical role in improving the health
17 status of Washington residents.

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

1 (1) By July 1, 2021, and annually thereafter, nonprofit health
2 carriers must submit to the commissioner the amount of the carrier's
3 surplus.

4 (2)(a) By October 1, 2021, and annually thereafter, the
5 commissioner must determine whether a nonprofit health carrier's
6 surplus is excessive.

7 (b) The surplus of a nonprofit health carrier must be determined
8 to be excessive if the surplus is greater than four hundred percent
9 of the nonprofit health carrier's RBC requirements, in accordance
10 with the formula set forth in the RBC instructions.

11 (3) Except when a reduction in payment is permitted under
12 subsection (4) of this section, if the commissioner determines the
13 surplus of a nonprofit health carrier to be excessive, within ninety
14 days of the determination the nonprofit health carrier must pay three
15 percent of the excessive surplus to the commissioner's office for
16 deposit into the fund.

17 (4)(a) Within thirty days of a determination by the commissioner
18 that a nonprofit health carrier's surplus is excessive, a nonprofit
19 health carrier may request a hearing by the commissioner to consider
20 a reduction in the required amount of excessive surplus payment to
21 the fund.

22 (b) The commissioner may only reduce a nonprofit health carrier's
23 payment to the fund if the nonprofit health carrier presents clear
24 and compelling evidence to the commissioner that the required amount
25 of excessive surplus payment would render the nonprofit health
26 carrier financially impaired under the laws of this state or any
27 other state in which the nonprofit health carrier is authorized to do
28 business.

29 (c) The hearing must be conducted in accordance with chapter
30 34.05 RCW.

31 (5) The commissioner may adopt rules to implement this section.

32 (6) The definitions in this subsection apply throughout this
33 section and section 3 of this act unless the context clearly requires
34 otherwise.

35 (a) "Excessive surplus" means the amount of a nonprofit health
36 carrier's surplus above four hundred percent of the nonprofit health
37 carrier's RBC requirements, as determined in subsection (2) of this
38 section.

39 (b) "Fund" means the nonprofit health carrier community benefit
40 fund created in section 3 of this act.

1 (c) "RBC" means risk-based capital.

2 (d) "RBC instructions" has the same meaning as in RCW 48.43.300.

3 (e) "Surplus" means the amount by which a nonprofit health
4 carrier's assets exceed its liabilities.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.70
6 RCW to read as follows:

7 (1) The nonprofit health carrier community benefit fund is
8 created in the state treasury. Moneys in the account may be spent
9 only after appropriation.

10 (2) All receipts from nonprofit health carrier excessive surplus
11 payments collected by the insurance commissioner pursuant to section
12 2 of this act must be deposited in the nonprofit health carrier
13 community benefit fund.

14 (3) Expenditures from the nonprofit health carrier community
15 benefit fund must be used exclusively for:

16 (a) Subsidies for individuals purchasing individual market
17 insurance coverage who are not eligible for federal insurance
18 subsidies; and

19 (b) Foundational public health services pursuant to RCW
20 43.70.515.

21 **Sec. 4.** RCW 43.84.092 and 2019 c 421 s 15, 2019 c 403 s 14, 2019
22 c 365 s 19, 2019 c 287 s 19, and 2019 c 95 s 6 are each reenacted and
23 amended to read as follows:

24 (1) All earnings of investments of surplus balances in the state
25 treasury shall be deposited to the treasury income account, which
26 account is hereby established in the state treasury.

27 (2) The treasury income account shall be utilized to pay or
28 receive funds associated with federal programs as required by the
29 federal cash management improvement act of 1990. The treasury income
30 account is subject in all respects to chapter 43.88 RCW, but no
31 appropriation is required for refunds or allocations of interest
32 earnings required by the cash management improvement act. Refunds of
33 interest to the federal treasury required under the cash management
34 improvement act fall under RCW 43.88.180 and shall not require
35 appropriation. The office of financial management shall determine the
36 amounts due to or from the federal government pursuant to the cash
37 management improvement act. The office of financial management may
38 direct transfers of funds between accounts as deemed necessary to

1 implement the provisions of the cash management improvement act, and
2 this subsection. Refunds or allocations shall occur prior to the
3 distributions of earnings set forth in subsection (4) of this
4 section.

5 (3) Except for the provisions of RCW 43.84.160, the treasury
6 income account may be utilized for the payment of purchased banking
7 services on behalf of treasury funds including, but not limited to,
8 depository, safekeeping, and disbursement functions for the state
9 treasury and affected state agencies. The treasury income account is
10 subject in all respects to chapter 43.88 RCW, but no appropriation is
11 required for payments to financial institutions. Payments shall occur
12 prior to distribution of earnings set forth in subsection (4) of this
13 section.

14 (4) Monthly, the state treasurer shall distribute the earnings
15 credited to the treasury income account. The state treasurer shall
16 credit the general fund with all the earnings credited to the
17 treasury income account except:

18 (a) The following accounts and funds shall receive their
19 proportionate share of earnings based upon each account's and fund's
20 average daily balance for the period: The abandoned recreational
21 vehicle disposal account, the aeronautics account, the aircraft
22 search and rescue account, the Alaskan Way viaduct replacement
23 project account, the brownfield redevelopment trust fund account, the
24 budget stabilization account, the capital vessel replacement account,
25 the capitol building construction account, the Cedar River channel
26 construction and operation account, the Central Washington University
27 capital projects account, the charitable, educational, penal and
28 reformatory institutions account, the Chehalis basin account, the
29 cleanup settlement account, the Columbia river basin water supply
30 development account, the Columbia river basin taxable bond water
31 supply development account, the Columbia river basin water supply
32 revenue recovery account, the common school construction fund, the
33 community forest trust account, the connecting Washington account,
34 the county arterial preservation account, the county criminal justice
35 assistance account, the deferred compensation administrative account,
36 the deferred compensation principal account, the department of
37 licensing services account, the department of licensing tuition
38 recovery trust fund, the department of retirement systems expense
39 account, the developmental disabilities community trust account, the
40 diesel idle reduction account, the drinking water assistance account,

1 the drinking water assistance administrative account, the early
2 learning facilities development account, the early learning
3 facilities revolving account, the Eastern Washington University
4 capital projects account, the education construction fund, the
5 education legacy trust account, the election account, the electric
6 vehicle account, the energy freedom account, the energy recovery act
7 account, the essential rail assistance account, The Evergreen State
8 College capital projects account, the federal forest revolving
9 account, the ferry bond retirement fund, the freight mobility
10 investment account, the freight mobility multimodal account, the
11 grade crossing protective fund, the nonprofit health carrier
12 community benefit fund, the public health services account, the state
13 higher education construction account, the higher education
14 construction account, the highway bond retirement fund, the highway
15 infrastructure account, the highway safety fund, the hospital safety
16 net assessment fund, the industrial insurance premium refund account,
17 the Interstate 405 and state route number 167 express toll lanes
18 account, the judges' retirement account, the judicial retirement
19 administrative account, the judicial retirement principal account,
20 the local leasehold excise tax account, the local real estate excise
21 tax account, the local sales and use tax account, the marine
22 resources stewardship trust account, the medical aid account, the
23 mobile home park relocation fund, the money-purchase retirement
24 savings administrative account, the money-purchase retirement savings
25 principal account, the motor vehicle fund, the motorcycle safety
26 education account, the multimodal transportation account, the
27 multiuse roadway safety account, the municipal criminal justice
28 assistance account, the natural resources deposit account, the oyster
29 reserve land account, the pension funding stabilization account, the
30 perpetual surveillance and maintenance account, the pollution
31 liability insurance agency underground storage tank revolving
32 account, the public employees' retirement system plan 1 account, the
33 public employees' retirement system combined plan 2 and plan 3
34 account, the public facilities construction loan revolving account
35 beginning July 1, 2004, the public health supplemental account, the
36 public works assistance account, the Puget Sound capital construction
37 account, the Puget Sound ferry operations account, the Puget Sound
38 Gateway facility account, the Puget Sound taxpayer accountability
39 account, the real estate appraiser commission account, the
40 recreational vehicle account, the regional mobility grant program

1 account, the resource management cost account, the rural arterial
2 trust account, the rural mobility grant program account, the rural
3 Washington loan fund, the sexual assault prevention and response
4 account, the site closure account, the skilled nursing facility
5 safety net trust fund, the small city pavement and sidewalk account,
6 the special category C account, the special wildlife account, the
7 state employees' insurance account, the state employees' insurance
8 reserve account, the state investment board expense account, the
9 state investment board commingled trust fund accounts, the state
10 patrol highway account, the state route number 520 civil penalties
11 account, the state route number 520 corridor account, the state
12 wildlife account, the statewide broadband account, the statewide
13 tourism marketing account, the student achievement council tuition
14 recovery trust fund, the supplemental pension account, the Tacoma
15 Narrows toll bridge account, the teachers' retirement system plan 1
16 account, the teachers' retirement system combined plan 2 and plan 3
17 account, the tobacco prevention and control account, the tobacco
18 settlement account, the toll facility bond retirement account, the
19 transportation 2003 account (nickel account), the transportation
20 equipment fund, the transportation future funding program account,
21 the transportation improvement account, the transportation
22 improvement board bond retirement account, the transportation
23 infrastructure account, the transportation partnership account, the
24 traumatic brain injury account, the tuition recovery trust fund, the
25 University of Washington bond retirement fund, the University of
26 Washington building account, the voluntary cleanup account, the
27 volunteer firefighters' and reserve officers' relief and pension
28 principal fund, the volunteer firefighters' and reserve officers'
29 administrative fund, the vulnerable roadway user education account,
30 the Washington judicial retirement system account, the Washington law
31 enforcement officers' and firefighters' system plan 1 retirement
32 account, the Washington law enforcement officers' and firefighters'
33 system plan 2 retirement account, the Washington public safety
34 employees' plan 2 retirement account, the Washington school
35 employees' retirement system combined plan 2 and 3 account, the
36 Washington state health insurance pool account, the Washington state
37 patrol retirement account, the Washington State University building
38 account, the Washington State University bond retirement fund, the
39 water pollution control revolving administration account, the water
40 pollution control revolving fund, the Western Washington University

1 capital projects account, the Yakima integrated plan implementation
2 account, the Yakima integrated plan implementation revenue recovery
3 account, and the Yakima integrated plan implementation taxable bond
4 account. Earnings derived from investing balances of the agricultural
5 permanent fund, the normal school permanent fund, the permanent
6 common school fund, the scientific permanent fund, the state
7 university permanent fund, and the state reclamation revolving
8 account shall be allocated to their respective beneficiary accounts.

9 (b) Any state agency that has independent authority over accounts
10 or funds not statutorily required to be held in the state treasury
11 that deposits funds into a fund or account in the state treasury
12 pursuant to an agreement with the office of the state treasurer shall
13 receive its proportionate share of earnings based upon each account's
14 or fund's average daily balance for the period.

15 (5) In conformance with Article II, section 37 of the state
16 Constitution, no treasury accounts or funds shall be allocated
17 earnings without the specific affirmative directive of this section.

18 NEW SECTION. **Sec. 5.** This act takes effect January 1, 2021.

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