

1 **E2SSB 5304** - H AMD TO REVENUE COMM AMD (5304-S2.E AMH REV H2235.7)
2 **000380 ADOPTED 4-8-93**

3 By Representative R. Johnson

4 On page 104, beginning on line 1, strike all of subsection
5 (6)(a) and insert

6 "(6)(a) Establish for each year a community-rated maximum
7 premium for the uniform benefits package that shall operate to
8 control overall health care costs in the case that the limited
9 sponsor contribution to a percentage of the lowest priced plan and
10 other market reforms do not stimulate effective price competition
11 and control costs. The premium cost of the uniform benefits
12 package in 1995 shall be based upon an actuarial determination of
13 the costs of providing the uniform benefits package, assuming cost
14 savings that may result from reductions in cost shifting, the use
15 of managed care, identification of cost-effective and clinically
16 efficacious services, assuming cost increases that may result from
17 the direct or indirect effect of changes in taxation, aging of the
18 population, and availability and effectiveness of new medical
19 technology, and any other factors deemed relevant by the
20 commission. Beginning in 1996, the growth rate of the premium cost
21 of the uniform benefits package for each certified health plan
22 shall be allowed to increase by a rate no greater than the average
23 growth rate in the cost of the package between 1990 and 1993 as
24 actuarially determined, reduced by two percentage points per year
25 until the growth rate is no greater than the five-year rolling
26 average of growth in Washington per capita personal income, as
27 determined by the office of financial management."

EFFECT: Modifies maximum premium development process by
clarifying the purpose of the cap, setting forth escalating
factors, and setting the reduction basis on a 5-year rolling
average.