
HOUSE BILL 1642

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Locke, Dellwo, Dunshee, Eide, Thibaudeau, G. Fisher, Springer, Jacobsen, Rayburn, Cothorn and L. Johnson

Read first time 02/03/93. Referred to Committee on Health Care.

1 AN ACT Relating to the establishment of the Washington state health
2 insurance purchasing cooperative; adding a new section to chapter 41.05
3 RCW; and declaring an emergency.

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

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

7 (1) The Washington state health insurance purchasing cooperative is
8 established for the purpose of coordinating and enhancing the health
9 care purchasing power of the groups identified in subsection (2) of
10 this section. The purchasing cooperative shall be administered by the
11 administrator.

12 (2) The following organizations or entities may seek the approval
13 of the administrator for membership in the purchasing cooperative:

14 (a) Private nonprofit human services provider organizations under
15 contract with state agencies, on behalf of their employees and their
16 employees' spouses and dependent children;

17 (b) Individuals providing in-home long-term care services to
18 persons whose care is financed in whole or in part through the medical
19 assistance personal care or Community Options Program Entry System

1 program as provided in chapter 74.09 RCW, or the chore services
2 program, as provided in chapter 74.08 RCW, on behalf of themselves and
3 their spouses and dependent children;

4 (c) Owners and operators of child day care centers and family child
5 care homes licensed under chapter 74.15 RCW on behalf of themselves,
6 and their employees and employees' spouses and dependent children;

7 (d) Foster parents contracting with the department of social and
8 health services pursuant to chapter 74.13 RCW and licensed under
9 chapter 74.15 RCW on behalf of themselves and their spouses and
10 dependent children; and

11 (e) Small business owners on behalf of themselves, and their
12 employees and employees' spouses and dependent children. For purposes
13 of this subsection, a small business may have no more than one hundred
14 employees at the time of initial enrollment. An employee means an
15 individual who regularly works for the employer for at least twenty
16 hours per week.

17 (3) In administering the purchasing cooperative, the administrator
18 shall:

19 (a) Negotiate and enter into contracts on behalf of the purchasing
20 cooperative's members in conjunction with its contracting and
21 purchasing activities for employee benefit plans pursuant to RCW
22 41.05.075, except that purchasing cooperative contracts may not include
23 self-funded or insured indemnity plans as an option for enrollment.
24 Until July 1, 1997, in negotiating and contracting with insuring
25 entities on behalf of employees and purchasing cooperative members, two
26 distinct experience pools shall be maintained. On and after that date,
27 the purchasing cooperative shall be placed into the single risk pool
28 for all state-purchased medical care.

29 (b) Review and approve or deny applications from entities seeking
30 membership in the purchasing cooperative.

31 (i) The administrator may require all or the substantial majority
32 of the employees of the organizations or entities listed in subsection
33 (2) (a), (c), (d), and (e) of this section to enroll in the purchasing
34 cooperative.

35 (ii) The administrator shall require, that as a condition of
36 membership in the purchasing cooperative, an entity or organization
37 listed in subsection (2) (a), (c), (d), and (e) of this section pay at
38 least fifty percent but not more than ninety percent of the cost of the

1 insurance coverage for each employee enrolled in the purchasing
2 cooperative.

3 (iii) In offering and administering the purchasing cooperative, the
4 administrator shall not discriminate against individuals or groups
5 based on age, gender, geographic area, industry, or medical history.

6 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
7 preservation of the public peace, health, or safety, or support of the
8 state government and its existing public institutions, and shall take
9 effect immediately.

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