
HOUSE BILL 1685

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Zellinsky and Mielke

Read first time 02/05/93. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to eliminating mandated health care provider
2 requirements; amending RCW 41.05.075; reenacting and amending RCW
3 28A.400.350; creating a new section; and repealing RCW 48.20.390,
4 48.20.410, 48.20.411, 48.20.412, 48.20.414, 48.20.416, 48.21.130,
5 48.21.140, 48.21.141, 48.21.142, 48.21.144, 48.21.146, 48.44.225,
6 48.44.290, 48.44.300, 48.44.309, 48.44.310, and 49.64.040.

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

8 NEW SECTION. **Sec. 1.** The legislature finds and declares that
9 health care cost containment depends, in part, upon the ability of
10 insurers, health care service contractors, and health maintenance
11 organizations to provide health care benefits in the most cost-
12 effective manner possible and that requiring these companies to include
13 the health care services of particular health care providers in
14 policies, contracts, or agreements may limit the competitive
15 environment that would permit these companies to negotiate for the most
16 cost-effective delivery of promised health care benefits and limit the
17 use of health care services that increase costs without producing
18 qualitative improvements in the health of insureds, subscribers, or
19 enrollees.

1 **Sec. 2.** RCW 28A.400.350 and 1990 1st ex.s. c 11 s 3 and 1990 c 74
2 s 1 are each reenacted and amended to read as follows:

3 (1) The board of directors of any of the state's school districts
4 may make available liability, life, health, health care, accident,
5 disability and salary protection or insurance or any one of, or a
6 combination of the enumerated types of insurance, or any other type of
7 insurance or protection, for the members of the boards of directors,
8 the students, and employees of the school district, and their
9 dependents. Such coverage may be provided by contracts with private
10 carriers, with the state health care authority after July 1, 1990,
11 pursuant to the approval of the authority administrator, or through
12 self-insurance or self-funding pursuant to chapter 48.62 RCW, or in any
13 other manner authorized by law.

14 (2) Whenever funds are available for these purposes the board of
15 directors of the school district may contribute all or a part of the
16 cost of such protection or insurance for the employees of their
17 respective school districts and their dependents. The premiums on such
18 liability insurance shall be borne by the school district.

19 After October 1, 1990, school districts may not contribute to any
20 employee protection or insurance other than liability insurance unless
21 the district's employee benefit plan conforms to RCW 28A.400.275 and
22 28A.400.280.

23 (3) For school board members and students, the premiums due on such
24 protection or insurance shall be borne by the assenting school board
25 member or student: PROVIDED, That the school district may contribute
26 all or part of the costs, including the premiums, of life, health,
27 health care, accident or disability insurance which shall be offered to
28 all students participating in interschool activities on the behalf of
29 or as representative of their school or school district. The school
30 district board of directors may require any student participating in
31 extracurricular interschool activities to, as a condition of
32 participation, document evidence of insurance or purchase insurance
33 that will provide adequate coverage, as determined by the school
34 district board of directors, for medical expenses incurred as a result
35 of injury sustained while participating in the extracurricular
36 activity. In establishing such a requirement, the district shall adopt
37 regulations for waiving or reducing the premiums of such coverage as
38 may be offered through the school district to students participating in
39 extracurricular activities, for those students whose families, by

1 reason of their low income, would have difficulty paying the entire
2 amount of such insurance premiums. The district board shall adopt
3 regulations for waiving or reducing the insurance coverage requirements
4 for low-income students in order to assure such students are not
5 prohibited from participating in extracurricular interschool
6 activities.

7 ~~((4) All contracts for insurance or protection written to take
8 advantage of the provisions of this section shall provide that the
9 beneficiaries of such contracts may utilize on an equal participation
10 basis the services of those practitioners licensed pursuant to chapters
11 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.))~~

12 **Sec. 3.** RCW 41.05.075 and 1988 c 107 s 9 are each amended to read
13 as follows:

14 (1) The administrator shall provide employee benefit plans designed
15 by the board through a contract or contracts with insuring entities,
16 through self-funding, self-insurance, or other methods of providing
17 insurance coverage authorized by RCW 41.05.140.

18 (2) The administrator shall establish a contract bidding process
19 that encourages competition among insuring entities, is timely to the
20 state budgetary process, and sets conditions for awarding contracts to
21 any insuring entity.

22 (3) The administrator shall establish a requirement for review of
23 utilization and financial data from participating insuring entities on
24 a quarterly basis.

25 (4) The administrator shall centralize the enrollment files for all
26 employee health plans and develop enrollment demographics on a plan-
27 specific basis.

28 (5) The administrator shall establish methods for collecting,
29 analyzing, and disseminating to covered individuals information on the
30 cost and quality of services rendered by individual health care
31 providers.

32 (6) All claims data shall be the property of the state. The
33 administrator may require of any insuring entity that submits a bid to
34 contract for coverage all information deemed necessary to fulfill the
35 administrator's duties as set forth in this chapter.

36 ~~((7) ((All contracts with insuring entities for the provision of
37 health care benefits shall provide that the beneficiaries of such
38 benefit plans may use on an equal participation basis the services of~~

1 practitioners licensed pursuant to chapters 18.22, 18.25, 18.32, 18.53,
2 18.57, 18.71, 18.74, 18.83, and 18.88 RCW. However, nothing in this
3 subsection may preclude the administrator from establishing appropriate
4 utilization controls approved pursuant to RCW 41.05.065(2) (a)(i), (b),
5 and (d).

6 (8)) Beginning in January 1990, and each January thereafter, the
7 administrator shall publish and distribute to each school district a
8 description of health care benefit plans available through the
9 authority and the estimated cost if school district employees were
10 enrolled.

11 NEW SECTION. **Sec. 4.** The following acts or parts of acts are each
12 repealed:

- 13 (1) RCW 48.20.390 and 1963 c 87 s 1;
- 14 (2) RCW 48.20.410 and 1965 c 149 s 2;
- 15 (3) RCW 48.20.411 and 1973 1st ex.s. c 188 s 3;
- 16 (4) RCW 48.20.412 and 1971 ex.s. c 13 s 1;
- 17 (5) RCW 48.20.414 and 1971 ex.s. c 197 s 1;
- 18 (6) RCW 48.20.416 and 1974 ex.s. c 42 s 1;
- 19 (7) RCW 48.21.130 and 1963 c 87 s 2;
- 20 (8) RCW 48.21.140 and 1965 c 149 s 3;
- 21 (9) RCW 48.21.141 and 1973 1st ex.s. c 188 s 4;
- 22 (10) RCW 48.21.142 and 1971 ex.s. c 13 s 2;
- 23 (11) RCW 48.21.144 and 1971 ex.s. c 197 s 2;
- 24 (12) RCW 48.21.146 and 1974 ex.s. c 42 s 2;
- 25 (13) RCW 48.44.225 and 1983 c 154 s 5;
- 26 (14) RCW 48.44.290 and 1986 c 223 s 6 & 1981 c 175 s 1;
- 27 (15) RCW 48.44.300 and 1986 c 223 s 7 & 1983 c 154 s 2;
- 28 (16) RCW 48.44.309 and 1983 c 286 s 1;
- 29 (17) RCW 48.44.310 and 1986 c 223 s 8 & 1983 c 286 s 2; and
- 30 (18) RCW 49.64.040 and 1988 c 259 s 1.

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