
HOUSE BILL 2860

State of Washington

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By Representatives Dyer, Mielke, Edmondson, Casada, Talcott, Van Luven, Fuhrman, Forner, Brough, Stevens, L. Thomas, Johanson, Brumsickle, Tate, Chandler, Lisk, Silver, B. Thomas, Padden, R. Johnson, McMorris, Sheldon, Wood and Schoesler

Read first time 01/26/94. Referred to Committee on Health Care.

1 AN ACT Relating to employer participation in the health care
2 services act; and amending RCW 43.72.010.

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

4 **Sec. 1.** RCW 43.72.010 and 1993 c 494 s 1 are each amended to read
5 as follows:

6 In this chapter, unless the context otherwise requires:

7 (1) "Certified health plan" or "plan" means a disability insurer
8 regulated under chapter 48.20 or 48.21 RCW, a health care service
9 contractor as defined in RCW 48.44.010, a health maintenance
10 organization as defined in RCW 48.46.020, or an entity certified in
11 accordance with RCW 48.43.020 through 48.43.120.

12 (2) "Chair" means the presiding officer of the Washington health
13 services commission.

14 (3) "Commission" or "health services commission" means the
15 Washington health services commission.

16 (4) "Community rate" means the rating method used to establish the
17 premium for the uniform benefits package adjusted to reflect
18 actuarially demonstrated differences in utilization or cost

1 attributable to geographic region and family size as determined by the
2 commission.

3 (5) "Continuous quality improvement and total quality management"
4 means a continuous process to improve health services while reducing
5 costs.

6 (6) "Employee" means a resident who is in the employment of an
7 employer, as defined by chapter 50.04 RCW.

8 (7) "Enrollee" means any person who is a Washington resident
9 enrolled in a certified health plan.

10 (8) "Enrollee point of service cost-sharing" means amounts paid to
11 certified health plans directly providing services, health care
12 providers, or health care facilities by enrollees for receipt of
13 specific uniform benefits package services, and may include copayments,
14 coinsurance, or deductibles, that together must be actuarially
15 equivalent across plans and within overall limits established by the
16 commission.

17 (9) "Enrollee premium sharing" means that portion of the premium
18 that is paid by enrollees or their family members.

19 (10) "Federal poverty level" means the federal poverty guidelines
20 determined annually by the United States department of health and human
21 services or successor agency.

22 (11) "Health care facility" or "facility" means hospices licensed
23 under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW,
24 rural health [care] facilities as defined in RCW 70.175.020,
25 psychiatric hospitals licensed under chapter 71.12 RCW, nursing homes
26 licensed under chapter 18.51 RCW, community mental health centers
27 licensed under chapter 71.05 or 71.24 RCW, kidney disease treatment
28 centers licensed under chapter 70.41 RCW, ambulatory diagnostic,
29 treatment or surgical facilities licensed under chapter 70.41 RCW, drug
30 and alcohol treatment facilities licensed under chapter 70.96A RCW, and
31 home health agencies licensed under chapter 70.127 RCW, and includes
32 such facilities if owned and operated by a political subdivision or
33 instrumentality of the state and such other facilities as required by
34 federal law and implementing regulations, but does not include
35 Christian Science sanatoriums operated, listed, or certified by the
36 First Church of Christ Scientist, Boston, Massachusetts.

37 (12) "Health care provider" or "provider" means:

1 (a) A person regulated under Title 18 RCW and chapter 70.127 RCW,
2 to practice health or health-related services or otherwise practicing
3 health care services in this state consistent with state law; or

4 (b) An employee or agent of a person described in (a) of this
5 subsection, acting in the course and scope of his or her employment.

6 (13) "Health insurance purchasing cooperative" or "cooperative"
7 means a member-owned and governed nonprofit organization certified in
8 accordance with RCW 43.72.080 and 48.43.160.

9 (14) "Long-term care" means institutional, residential, outpatient,
10 or community-based services that meet the individual needs of persons
11 of all ages who are limited in their functional capacities or have
12 disabilities and require assistance with performing two or more
13 activities of daily living for an extended or indefinite period of
14 time. These services include case management, protective supervision,
15 in-home care, nursing services, convalescent, custodial, chronic, and
16 terminally ill care.

17 (15) "Major capital expenditure" means any project or expenditure
18 for capital construction, renovations, or acquisition, including
19 medical technological equipment, as defined by the commission, costing
20 more than one million dollars.

21 (16) "Managed care" means an integrated system of insurance,
22 financing, and health services delivery functions that: (a) Assumes
23 financial risk for delivery of health services and uses a defined
24 network of providers; or (b) assumes financial risk for delivery of
25 health services and promotes the efficient delivery of health services
26 through provider assumption of some financial risk including
27 capitation, prospective payment, resource-based relative value scales,
28 fee schedules, or similar method of limiting payments to health care
29 providers.

30 (17) "Maximum enrollee financial participation" means the income-
31 related total annual payments that may be required of an enrollee per
32 family who chooses one of the three lowest priced uniform benefits
33 packages offered by plans in a geographic region including both premium
34 sharing and enrollee point of service cost-sharing.

35 (18) "Persons of color" means Asians/Pacific Islanders, African,
36 Hispanic, and Native Americans.

37 (19) "Premium" means all sums charged, received, or deposited by a
38 certified health plan as consideration for a uniform benefits package
39 or the continuance of a uniform benefits package. Any assessment, or

1 any "membership," "policy," "contract," "service," or similar fee or
2 charge made by the certified health plan in consideration for the
3 uniform benefits package is deemed part of the premium. "Premium"
4 shall not include amounts paid as enrollee point of service cost-
5 sharing.

6 (20) "Qualified employee" means an employee who is employed at
7 least (a) thirty hours during a week; or (b) one hundred twenty hours
8 during a calendar month but no fewer than ten hours during each week in
9 the month.

10 (21) "Registered employer health plan" means a health plan
11 established by a private employer of more than seven thousand active
12 employees in this state solely for the benefit of such employees and
13 their dependents and that meets the requirements of RCW 43.72.120.
14 Nothing contained in this subsection shall be deemed to preclude the
15 plan from providing benefits to retirees of the employer.

16 (22) "Seasonal employee" means any person who works:

17 (a) For one or more employers during the calendar year;

18 (b) For six months or less, per year; and

19 (c) For at least half-time per month, during a designated season,
20 within the same industry sector, designated by the commission,
21 including food processing, agricultural production, agricultural
22 harvesting, plantation Christmas tree planting, and tree planting on
23 timber land.

24 (23) "Supplemental benefits" means those appropriate and effective
25 health services that are not included in the uniform benefits package
26 or that expand the type or level of health services available under the
27 uniform benefits package and that are offered to all residents in
28 accordance with the provisions of RCW 43.72.160 and 43.72.170.

29 (24) "Technology" means the drugs, devices, equipment, and medical
30 or surgical procedures used in the delivery of health services, and the
31 organizational or supportive systems within which such services are
32 provided. It also means sophisticated and complicated machinery
33 developed as a result of ongoing research in the basic biological and
34 physical sciences, clinical medicine, electronics, and computer
35 sciences, as well as specialized professionals, medical equipment,
36 procedures, and chemical formulations used for both diagnostic and
37 therapeutic purposes.

38 (25) "Uniform benefits package" or "package" means those
39 appropriate and effective health services, defined by the commission

1 under RCW 43.72.130, that must be offered to all Washington residents
2 through certified health plans.

3 (26) "Washington resident" or "resident" means a person who intends
4 to reside in the state permanently or indefinitely and who did not move
5 to Washington for the primary purpose of securing health services under
6 RCW 43.72.090 through 43.72.240, 43.72.300, 43.72.310, 43.72.800, and
7 chapters 48.43 and 48.85 RCW. "Washington resident" also includes
8 people and their accompanying family members who are residing in the
9 state for the purpose of engaging in employment for at least one month,
10 who did not enter the state for the primary purpose of obtaining health
11 services. The confinement of a person in a nursing home, hospital, or
12 other medical institution in the state shall not by itself be
13 sufficient to qualify such person as a resident.

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