

2 **ESSB 5386** - H COMM AMD **NOT ADOPTED 4/18/95**

3 By Committee on Health Care

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 70.47 RCW  
8 to read as follows:

9 BASIC HEALTH PLAN--EXPANDED ENROLLMENT. (1) The legislature finds  
10 that the basic health plan has been an effective program in providing  
11 health coverage for uninsured residents. Further, since 1993,  
12 substantial amounts of public funds have been allocated for subsidized  
13 basic health plan enrollment.

14 (2) It is the intent of the legislature that the basic health plan  
15 enrollment be expanded expeditiously, consistent with funds available  
16 in the health services account, with the goal of one hundred thousand  
17 adult subsidized basic health plan enrollees and one hundred thousand  
18 children covered through expanded medical assistance services by June  
19 30, 1997, with the priority of providing needed health services to  
20 children in conjunction with other public programs.

21 (3) Effective January 1, 1996, basic health plan enrollees whose  
22 income is less than one hundred twenty-five percent of the federal  
23 poverty level shall pay a ten dollar monthly premium share.

24 **Sec. 2.** RCW 70.47.060 and 1994 c 309 s 5 are each amended to read  
25 as follows:

26 The administrator has the following powers and duties:

27 (1) To design and from time to time revise a schedule of covered  
28 basic health care services, including physician services, inpatient and  
29 outpatient hospital services, prescription drugs and medications, and  
30 other services that may be necessary for basic health care, which  
31 subsidized and nonsubsidized enrollees in any participating managed  
32 health care system under the Washington basic health plan shall be  
33 entitled to receive in return for premium payments to the plan. The  
34 schedule of services shall emphasize proven preventive and primary  
35 health care and shall include all services necessary for prenatal,

1 postnatal, ~~((and))~~ well-child care, and chiropractic services.  
2 However, with respect to coverage for groups of subsidized enrollees  
3 who are eligible to receive prenatal and postnatal services through the  
4 medical assistance program under chapter 74.09 RCW, the administrator  
5 shall not contract for such services except to the extent that such  
6 services are necessary over not more than a one-month period in order  
7 to maintain continuity of care after diagnosis of pregnancy by the  
8 managed care provider. The schedule of services shall also include a  
9 separate schedule of basic health care services for children, eighteen  
10 years of age and younger, for those subsidized or nonsubsidized  
11 enrollees who choose to secure basic coverage through the plan only for  
12 their dependent children. In designing and revising the schedule of  
13 services, the administrator shall consider the guidelines for assessing  
14 health services under the mandated benefits act of 1984, RCW 48.42.080,  
15 and such other factors as the administrator deems appropriate. ~~((On  
16 and after July 1, 1995, the uniform benefits package adopted and from  
17 time to time revised by the Washington health services commission  
18 pursuant to RCW 43.72.130 shall be implemented by the administrator as  
19 the schedule of covered basic health care services.))~~

20 However, with respect to coverage for subsidized enrollees who are  
21 eligible to receive prenatal and postnatal services through the medical  
22 assistance program under chapter 74.09 RCW, the administrator shall not  
23 contract for such services except to the extent that the services are  
24 necessary over not more than a one-month period in order to maintain  
25 continuity of care after diagnosis of pregnancy by the managed care  
26 provider.

27 (2)(a) To design and implement a structure of periodic premiums due  
28 the administrator from subsidized enrollees that is based upon gross  
29 family income, giving appropriate consideration to family size and the  
30 ages of all family members. The enrollment of children shall not  
31 require the enrollment of their parent or parents who are eligible for  
32 the plan. The structure of periodic premiums shall be applied to  
33 subsidized enrollees entering the plan as individuals pursuant to  
34 subsection (9) of this section and to the share of the cost of the plan  
35 due from subsidized enrollees entering the plan as employees pursuant  
36 to subsection (10) of this section.

37 (b) To determine the periodic premiums due the administrator from  
38 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees  
39 shall be in an amount equal to the cost charged by the managed health

1 care system provider to the state for the plan plus the administrative  
2 cost of providing the plan to those enrollees and the premium tax under  
3 RCW 48.14.0201.

4 (c) An employer or other financial sponsor may, with the prior  
5 approval of the administrator, pay the premium, rate, or any other  
6 amount on behalf of a subsidized or nonsubsidized enrollee, by  
7 arrangement with the enrollee and through a mechanism acceptable to the  
8 administrator, but in no case shall the payment made on behalf of the  
9 enrollee exceed the total premiums due from the enrollee.

10 (3) To design and implement a structure of ~~((copayments))~~ enrollee  
11 cost sharing due a managed health care system from subsidized and  
12 nonsubsidized enrollees. The structure shall discourage inappropriate  
13 enrollee utilization of health care services, and may utilize  
14 copayments, deductibles, and other cost-sharing mechanisms, but shall  
15 not be so costly to enrollees as to constitute a barrier to appropriate  
16 utilization of necessary health care services. ~~((On and after July 1,~~  
17 ~~1995, the administrator shall endeavor to make the copayments structure~~  
18 ~~of the plan consistent with enrollee point of service cost sharing~~  
19 ~~levels adopted by the Washington health services commission, giving~~  
20 ~~consideration to funding available to the plan.))~~

21 (4) To limit enrollment of persons who qualify for subsidies so as  
22 to prevent an overexpenditure of appropriations for such purposes.  
23 Whenever the administrator finds that there is danger of such an  
24 overexpenditure, the administrator shall close enrollment until the  
25 administrator finds the danger no longer exists.

26 (5) To limit the payment of subsidies to subsidized enrollees, as  
27 defined in RCW 70.47.020. The level of subsidy provided to persons who  
28 qualify may be based on the lowest cost plans, as defined by the  
29 administrator.

30 (6) To adopt a schedule for the orderly development of the delivery  
31 of services and availability of the plan to residents of the state,  
32 subject to the limitations contained in RCW 70.47.080 or any act  
33 appropriating funds for the plan.

34 (7) To solicit and accept applications from managed health care  
35 systems, as defined in this chapter, for inclusion as eligible basic  
36 health care providers under the plan. The administrator shall endeavor  
37 to assure that covered basic health care services are available to any  
38 enrollee of the plan from among a selection of two or more  
39 participating managed health care systems. In adopting any rules or

1 procedures applicable to managed health care systems and in its  
2 dealings with such systems, the administrator shall consider and make  
3 suitable allowance for the need for health care services and the  
4 differences in local availability of health care resources, along with  
5 other resources, within and among the several areas of the state.  
6 Contracts with participating managed health care systems shall ensure  
7 that basic health plan enrollees who become eligible for medical  
8 assistance may, at their option, continue to receive services from  
9 their existing providers within the managed health care system if such  
10 providers have entered into provider agreements with the department of  
11 social and health services.

12 (8) To receive periodic premiums from or on behalf of subsidized  
13 and nonsubsidized enrollees, deposit them in the basic health plan  
14 operating account, keep records of enrollee status, and authorize  
15 periodic payments to managed health care systems on the basis of the  
16 number of enrollees participating in the respective managed health care  
17 systems.

18 (9) To accept applications from individuals residing in areas  
19 served by the plan, on behalf of themselves and their spouses and  
20 dependent children, for enrollment in the Washington basic health plan  
21 as subsidized or nonsubsidized enrollees, to establish appropriate  
22 minimum-enrollment periods for enrollees as may be necessary, and to  
23 determine, upon application and ~~((at least semiannually thereafter))~~ on  
24 a reasonable schedule defined by the authority, or at the request of  
25 any enrollee, eligibility due to current gross family income for  
26 sliding scale premiums. No subsidy may be paid with respect to any  
27 enrollee whose current gross family income exceeds twice the federal  
28 poverty level or, subject to RCW 70.47.110, who is a recipient of  
29 medical assistance or medical care services under chapter 74.09 RCW.  
30 If, as a result of an eligibility review, the administrator determines  
31 that a subsidized enrollee's income exceeds twice the federal poverty  
32 level and that the enrollee knowingly failed to inform the plan of such  
33 increase in income, the administrator may bill the enrollee for the  
34 subsidy paid on the enrollee's behalf during the period of time that  
35 the enrollee's income exceeded twice the federal poverty level. If a  
36 number of enrollees drop their enrollment for no apparent good cause,  
37 the administrator may establish appropriate rules or requirements that  
38 are applicable to such individuals before they will be allowed to re-  
39 enroll in the plan.

1 (10) To accept applications from business owners on behalf of  
2 themselves and their employees, spouses, and dependent children, as  
3 subsidized or nonsubsidized enrollees, who reside in an area served by  
4 the plan. The administrator may require all or the substantial  
5 majority of the eligible employees of such businesses to enroll in the  
6 plan and establish those procedures necessary to facilitate the orderly  
7 enrollment of groups in the plan and into a managed health care system.  
8 The administrator (~~shall~~) may require that a business owner pay at  
9 least (~~fifty percent of the nonsubsidized~~) an amount equal to what  
10 the employee pays after the state pays its portion of the subsidized  
11 premium cost of the plan on behalf of each employee enrolled in the  
12 plan. Enrollment is limited to those not eligible for medicare who  
13 wish to enroll in the plan and choose to obtain the basic health care  
14 coverage and services from a managed care system participating in the  
15 plan. The administrator shall adjust the amount determined to be due  
16 on behalf of or from all such enrollees whenever the amount negotiated  
17 by the administrator with the participating managed health care system  
18 or systems is modified or the administrative cost of providing the plan  
19 to such enrollees changes.

20 (11) To determine the rate to be paid to each participating managed  
21 health care system in return for the provision of covered basic health  
22 care services to enrollees in the system. Although the schedule of  
23 covered basic health care services will be the same for similar  
24 enrollees, the rates negotiated with participating managed health care  
25 systems may vary among the systems. In negotiating rates with  
26 participating systems, the administrator shall consider the  
27 characteristics of the populations served by the respective systems,  
28 economic circumstances of the local area, the need to conserve the  
29 resources of the basic health plan trust account, and other factors the  
30 administrator finds relevant.

31 (12) To monitor the provision of covered services to enrollees by  
32 participating managed health care systems in order to assure enrollee  
33 access to good quality basic health care, to require periodic data  
34 reports concerning the utilization of health care services rendered to  
35 enrollees in order to provide adequate information for evaluation, and  
36 to inspect the books and records of participating managed health care  
37 systems to assure compliance with the purposes of this chapter. In  
38 requiring reports from participating managed health care systems,  
39 including data on services rendered enrollees, the administrator shall

1 endeavor to minimize costs, both to the managed health care systems and  
2 to the plan. The administrator shall coordinate any such reporting  
3 requirements with other state agencies, such as the insurance  
4 commissioner and the department of health, to minimize duplication of  
5 effort.

6 (13) To evaluate the effects this chapter has on private employer-  
7 based health care coverage and to take appropriate measures consistent  
8 with state and federal statutes that will discourage the reduction of  
9 such coverage in the state.

10 (14) To develop a program of proven preventive health measures and  
11 to integrate it into the plan wherever possible and consistent with  
12 this chapter.

13 (15) To provide, consistent with available funding, assistance for  
14 rural residents, underserved populations, and persons of color.

15 (16) No later than July 1, 1996, the administrator shall implement  
16 procedures whereby health carriers under contract with the health care  
17 authority, hospitals licensed under chapters 70.41 and 71.12 RCW, rural  
18 health care facilities regulated under chapter 70.175 RCW, and  
19 community and migrant health centers funded under RCW 41.05.220, may  
20 expeditiously assist patients and their families in applying for basic  
21 health plan or medical assistance coverage, and in submitting such  
22 applications directly to the health care authority or the department of  
23 social and health services. The health care authority and the  
24 department of social and health services shall make every effort to  
25 simplify and expedite the application and enrollment process.

26 NEW SECTION. Sec. 3. A new section is added to chapter 70.47 RCW  
27 to read as follows:

28 No later than July 1, 1996, the administrator shall implement  
29 procedures whereby health insurance agents and brokers, licensed under  
30 chapter 48.17 RCW, may, at no remuneration, expeditiously assist  
31 patients and their families in applying for basic health plan or  
32 medical assistance coverage, and in submitting such applications  
33 directly to the health care authority or the department of social and  
34 health services. The health care authority and the department of  
35 social and health services shall make every effort to simplify and  
36 expedite the application and enrollment process.

1       **Sec. 4.** RCW 70.47.020 and 1994 c 309 s 4 are each amended to read  
2 as follows:

3       As used in this chapter:

4       (1) "Washington basic health plan" or "plan" means the system of  
5 enrollment and payment on a prepaid capitated basis for basic health  
6 care services, administered by the plan administrator through  
7 participating managed health care systems, created by this chapter.

8       (2) "Administrator" means the Washington basic health plan  
9 administrator, who also holds the position of administrator of the  
10 Washington state health care authority.

11       (3) "Managed health care system" means any health care  
12 organization, including health care providers, insurers, health care  
13 service contractors, health maintenance organizations, or any  
14 combination thereof, that provides directly or by contract basic health  
15 care services, as defined by the administrator and rendered by duly  
16 licensed providers, on a prepaid capitated basis to a defined patient  
17 population enrolled in the plan and in the managed health care system.  
18 (~~On and after July 1, 1995, "managed health care system" means a~~  
19 ~~certified health plan, as defined in RCW 43.72.010.~~)

20       (4) "Subsidized enrollee" means an individual, or an individual  
21 plus the individual's spouse or dependent children, not eligible for  
22 medicare, who resides in an area of the state served by a managed  
23 health care system participating in the plan, whose gross family income  
24 at the time of enrollment does not exceed twice the federal poverty  
25 level as adjusted for family size and determined annually by the  
26 federal department of health and human services, who the administrator  
27 determines shall not have, or shall not have voluntarily relinquished  
28 health insurance more comprehensive than that offered by the plan as of  
29 the effective date of enrollment, and who chooses to obtain basic  
30 health care coverage from a particular managed health care system in  
31 return for periodic payments to the plan.

32       (5) "Nonsubsidized enrollee" means an individual, or an individual  
33 plus the individual's spouse or dependent children, not eligible for  
34 medicare, who resides in an area of the state served by a managed  
35 health care system participating in the plan, who the administrator  
36 determines shall not have, or shall not have voluntarily relinquished  
37 health insurance more comprehensive than that offered by the plan as of  
38 the effective date of enrollment, and who chooses to obtain basic  
39 health care coverage from a particular managed health care system, and

1 who pays or on whose behalf is paid the full costs for participation in  
2 the plan, without any subsidy from the plan.

3 (6) "Subsidy" means the difference between the amount of periodic  
4 payment the administrator makes to a managed health care system on  
5 behalf of a subsidized enrollee plus the administrative cost to the  
6 plan of providing the plan to that subsidized enrollee, and the amount  
7 determined to be the subsidized enrollee's responsibility under RCW  
8 70.47.060(2).

9 (7) "Premium" means a periodic payment, based upon gross family  
10 income which an individual, their employer or another financial sponsor  
11 makes to the plan as consideration for enrollment in the plan as a  
12 subsidized enrollee or a nonsubsidized enrollee.

13 (8) "Rate" means the per capita amount, negotiated by the  
14 administrator with and paid to a participating managed health care  
15 system, that is based upon the enrollment of subsidized and  
16 nonsubsidized enrollees in the plan and in that system.

17 NEW SECTION. **Sec. 5.** A new section is added to chapter 70.47 RCW  
18 to read as follows:

19 (1) The legislature recognizes that every individual possesses a  
20 fundamental right to exercise their religious beliefs and conscience.  
21 The legislature further recognizes that in developing public policy,  
22 conflicting religious and moral beliefs must be respected. Therefore,  
23 while recognizing the right of conscientious objection to participating  
24 in specific health services, the state shall also recognize the right  
25 of individuals enrolled with the basic health plan to receive the full  
26 range of services covered under the basic health plan.

27 (2)(a) No individual health care provider, religiously sponsored  
28 health carrier, or health care facility may be required by law or  
29 contract in any circumstances to participate in the provision of or  
30 payment for a specific service if they object to so doing for reason of  
31 conscience or religion. No person may be discriminated against in  
32 employment or professional privileges because of such objection.

33 (b) The provisions of this section are not intended to result in an  
34 enrollee being denied timely access to any service included in the  
35 basic health plan. Each health carrier shall:

36 (i) Provide written notice to enrollees, upon enrollment with the  
37 plan, listing services that the carrier refuses to cover for reason of  
38 conscience or religion;



1 (ii) Provide written information describing how an enrollee may  
2 directly access services in an expeditious manner; and

3 (iii) Ensure that enrollees refused services under this section  
4 have prompt access to the information developed pursuant to (b)(ii) of  
5 this subsection.

6 (c) The administrator shall establish a mechanism or mechanisms to  
7 recognize the right to exercise conscience while ensuring enrollees  
8 timely access to services and to assure prompt payment to service  
9 providers.

10 (3)(a) No individual or organization with a religious or moral  
11 tenet opposed to a specific service may be required to purchase  
12 coverage for that service or services if they object to doing so for  
13 reason of conscience or religion.

14 (b) The provisions of this section shall not result in an enrollee  
15 being denied coverage of, and timely access to, any service or services  
16 excluded from their benefits package as a result of their employer's or  
17 another individual's exercise of the conscience clause in (a) of this  
18 subsection.

19 (c) The administrator shall define the process through which health  
20 carriers may offer the basic health plan to individuals and  
21 organizations identified in (a) and (b) of this subsection in  
22 accordance with the provisions of subsection (2)(c) of this section.

23 NEW SECTION. **Sec. 6.** RCW 70.47.065 and 1993 c 494 s 6 are each  
24 repealed.

25 NEW SECTION. **Sec. 7.** This act is necessary for the immediate  
26 preservation of the public peace, health, or safety, or support of the  
27 state government and its existing public institutions, and shall take  
28 effect July 1, 1995."

29 Correct the title accordingly.

--- END ---