
HOUSE BILL 1840

State of Washington

55th Legislature

1997 Regular Session

By Representatives Dyer and L. Thomas

Read first time 02/11/97. Referred to Committee on Health Care.

1 AN ACT Relating to agents for health plans; and amending RCW
2 70.47.120 and 70.47.130.

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

4 **Sec. 1.** RCW 70.47.120 and 1987 1st ex.s. c 5 s 14 are each amended
5 to read as follows:

6 In addition to the powers and duties specified in RCW 70.47.040 and
7 70.47.060, the administrator has the power to enter into contracts for
8 the following functions and services:

9 (1) With public or private agencies, to assist the administrator in
10 her or his duties to design or revise the schedule of covered basic
11 health care services, and/or to monitor or evaluate the performance of
12 participating managed health care systems.

13 (2) With public or private agencies, to provide technical or
14 professional assistance to health care providers, particularly public
15 or private nonprofit organizations and providers serving rural areas,
16 who show serious intent and apparent capability to participate in the
17 plan as managed health care systems.

18 (3) With public or private agencies, including health care service
19 contractors registered under RCW 48.44.015, and doing business in the

1 state, for marketing and administrative services in connection with
2 participation of managed health care systems, enrollment of enrollees,
3 billing and collection services to the administrator, and other
4 administrative functions ordinarily performed by health care service
5 contractors, other than insurance. Any activities of a health care
6 service contractor pursuant to a contract with the administrator under
7 this section shall be exempt from the provisions and requirements of
8 Title 48 RCW except that persons appointed or authorized to solicit
9 applications for enrollment in the basic health plan shall comply with
10 chapter 48.17 RCW.

11 **Sec. 2.** RCW 70.47.130 and 1994 c 309 s 6 are each amended to read
12 as follows:

13 (1) The activities and operations of the Washington basic health
14 plan under this chapter, including those of managed health care systems
15 to the extent of their participation in the plan, are exempt from the
16 provisions and requirements of Title 48 RCW(~~(, except as provided in~~
17 ~~RCW 70.47.070 and that the premium and prepayment tax imposed under RCW~~
18 ~~48.14.0201 shall apply to amounts paid to a managed health care system~~
19 ~~by the basic health plan for participating in the basic health plan and~~
20 ~~providing health care services for nonsubsidized enrollees in the basic~~
21 ~~health plan)) except:~~

22 (a) Benefits as provided in RCW 70.47.070;

23 (b) Persons appointed or authorized to solicit applications for
24 enrollment in the basic health plan, including employees of the health
25 care authority, must comply with chapter 48.17 RCW; and

26 (c) Amounts paid to a managed health care system by the basic
27 health plan for participating in the basic health plan and providing
28 health care services for nonsubsidized enrollees in the basic health
29 plan must comply with RCW 48.14.0201.

30 (2) The purpose of the 1994 amendatory language to this section in
31 chapter 309, Laws of 1994 is to clarify the intent of the legislature
32 that premiums paid on behalf of nonsubsidized enrollees in the basic
33 health plan are subject to the premium and prepayment tax. The
34 legislature does not consider this clarifying language to either raise
35 existing taxes nor to impose a tax that did not exist previously.

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