
SENATE BILL 6029

State of Washington

55th Legislature

1997 Regular Session

By Senators Strannigan, Oke, McDonald and West

Read first time 02/28/97. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to catastrophic insurance/health care savings
2 accounts; amending RCW 41.05.006, 41.05.011, 41.05.021, 41.05.065,
3 41.05.140, 41.05.170, and 41.05.180; reenacting and amending RCW
4 41.05.075; and creating a new section.

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

6 **Sec. 1.** RCW 41.05.006 and 1988 c 107 s 2 are each amended to read
7 as follows:

8 (1) The legislature recognizes that (a) the state is a major
9 purchaser of health care services, (b) the increasing costs of such
10 health care services are posing and will continue to pose a great
11 financial burden on the state, (c) it is the state's policy, consistent
12 with the best interests of the state, to provide comprehensive health
13 care as an employer, to state employees and officials and their
14 dependents and to those who are dependent on the state for necessary
15 medical care, (d) in the alternative, it is the state's policy to
16 provide a catastrophic insurance/health care savings account option,
17 and ~~((d))~~ (e) it is imperative that the state begin to develop
18 effective and efficient health care delivery systems and strategies for
19 procuring health care services in order for the state to continue to

1 purchase the most comprehensive health care or the most cost-effective
2 catastrophic insurance/health care savings account possible.

3 (2) It is therefore the purpose of this chapter to establish the
4 Washington state health care authority whose purpose shall be to (a)
5 develop health care benefit programs, funded to the fullest extent
6 possible by the employer, that provide comprehensive health care or a
7 catastrophic insurance/health care savings account option for eligible
8 state employees, officials, and their dependents, and (b) study all
9 state-purchased health care, alternative health care delivery systems,
10 and strategies for the procurement of health care services and make
11 recommendations aimed at minimizing the financial burden which health
12 care poses on the state, its employees, and its charges, while at the
13 same time allowing the state to provide the most comprehensive health
14 care or the most cost-effective catastrophic insurance/health care
15 savings account possible.

16 **Sec. 2.** RCW 41.05.011 and 1996 c 39 s 21 are each amended to read
17 as follows:

18 Unless the context clearly requires otherwise, the definitions in
19 this section shall apply throughout this chapter.

20 (1) "Administrator" means the administrator of the authority.

21 (2) "Catastrophic insurance/health care savings account" means a
22 medical benefit plan with a high annual deductible and out-of-pocket
23 maximum and an account funded through employer contributions, as well
24 as investment earning, for financing health services. Health care
25 expenses are paid by available funds from the health care savings
26 account, up to the catastrophic insurance deductible, after which
27 covered claims are to be paid by the medical benefit plan. Account
28 balances net incurred expenses accrue to the benefit of the employee,
29 either at year-end or at some other defined time.

30 (3) "State purchased health care" or "health care" means medical
31 and health care, pharmaceuticals, and medical equipment purchased with
32 state and federal funds by the department of social and health
33 services, the department of health, the basic health plan, the state
34 health care authority, the department of labor and industries, the
35 department of corrections, the department of veterans affairs, and
36 local school districts.

37 ~~((+3))~~ (4) "Authority" means the Washington state health care
38 authority.

1 (~~(4)~~) (5) "Insuring entity" means an insurer as defined in
2 chapter 48.01 RCW, a health care service contractor as defined in
3 chapter 48.44 RCW, or a health maintenance organization as defined in
4 chapter 48.46 RCW.

5 (~~(5)~~) (6) "Flexible benefit plan" means a benefit plan that
6 allows employees to choose the level of health care coverage provided
7 and the amount of employee contributions from among a range of choices
8 offered by the authority.

9 (~~(6)~~) (7) "Employee" includes all full-time and career seasonal
10 employees of the state, whether or not covered by civil service;
11 elected and appointed officials of the executive branch of government,
12 including full-time members of boards, commissions, or committees; and
13 includes any or all part-time and temporary employees under the terms
14 and conditions established under this chapter by the authority;
15 justices of the supreme court and judges of the court of appeals and
16 the superior courts; and members of the state legislature or of the
17 legislative authority of any county, city, or town who are elected to
18 office after February 20, 1970. "Employee" also includes: (a)
19 Employees of a county, municipality, or other political subdivision of
20 the state if the legislative authority of the county, municipality, or
21 other political subdivision of the state seeks and receives the
22 approval of the authority to provide any of its insurance programs by
23 contract with the authority, as provided in RCW 41.04.205; (b)
24 employees of employee organizations representing state civil service
25 employees, at the option of each such employee organization, and,
26 effective October 1, 1995, employees of employee organizations
27 currently pooled with employees of school districts for the purpose of
28 purchasing insurance benefits, at the option of each such employee
29 organization; and (c) employees of a school district if the authority
30 agrees to provide any of the school districts' insurance programs by
31 contract with the authority as provided in RCW 28A.400.350.

32 (~~(7)~~) (8) "Board" means the public employees' benefits board
33 established under RCW 41.05.055.

34 (~~(8)~~) (9) "Retired or disabled school employee" means:

35 (a) Persons who separated from employment with a school district or
36 educational service district and are receiving a retirement allowance
37 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

38 (b) Persons who separate from employment with a school district or
39 educational service district on or after October 1, 1993, and

1 immediately upon separation receive a retirement allowance under
2 chapter 41.32 or 41.40 RCW;

3 (c) Persons who separate from employment with a school district or
4 educational service district due to a total and permanent disability,
5 and are eligible to receive a deferred retirement allowance under
6 chapter 41.32 or 41.40 RCW.

7 (~~(9)~~) (10) "Benefits contribution plan" means a premium only
8 contribution plan, a medical flexible spending arrangement, or a
9 cafeteria plan whereby state and public employees may agree to a
10 contribution to benefit costs which will allow the employee to
11 participate in benefits offered pursuant to 26 U.S.C. Sec. 125 or other
12 sections of the internal revenue code.

13 (~~(10)~~) (11) "Salary" means a state employee's monthly salary or
14 wages.

15 (~~(11)~~) (12) "Participant" means an individual who fulfills the
16 eligibility and enrollment requirements under the benefits contribution
17 plan.

18 (~~(12)~~) (13) "Plan year" means the time period established by the
19 authority.

20 (~~(13)~~) (14) "Separated employees" means persons who separate from
21 employment with an employer as defined in RCW 41.32.010(11) on or after
22 July 1, 1996, and who are at least age fifty-five and have at least ten
23 years of service under the teachers' retirement system plan III as
24 defined in RCW 41.32.010(40).

25 **Sec. 3.** RCW 41.05.021 and 1995 1st sp.s. c 6 s 7 are each amended
26 to read as follows:

27 (1) The Washington state health care authority is created within
28 the executive branch. The authority shall have an administrator
29 appointed by the governor, with the consent of the senate. The
30 administrator shall serve at the pleasure of the governor. The
31 administrator may employ up to seven staff members, who shall be exempt
32 from chapter 41.06 RCW, and any additional staff members as are
33 necessary to administer this chapter. The administrator may delegate
34 any power or duty vested in him or her by this chapter, including
35 authority to make final decisions and enter final orders in hearings
36 conducted under chapter 34.05 RCW. The primary duties of the authority
37 shall be to: Administer state employees' insurance benefits and
38 retired or disabled school employees' insurance benefits; administer

1 the basic health plan pursuant to chapter 70.47 RCW; study state-
2 purchased health care programs in order to maximize cost containment in
3 these programs while ensuring access to quality health care; and
4 implement state initiatives, joint purchasing strategies, and
5 techniques for efficient administration that have potential application
6 to all state-purchased health services. The authority's duties
7 include, but are not limited to, the following:

8 (a) To administer health care benefit programs for employees and
9 retired or disabled school employees as specifically authorized in RCW
10 41.05.065 and in accordance with the methods described in RCW
11 41.05.075, 41.05.140, and other provisions of this chapter;

12 (b) To analyze state-purchased health care programs and to explore
13 options for cost containment and delivery alternatives for those
14 programs that are consistent with the purposes of those programs,
15 including, but not limited to:

16 (i) Creation of economic incentives for the persons for whom the
17 state purchases health care to appropriately utilize and purchase
18 health care services, including the development of flexible benefit
19 plans (~~(to offset increases in individual financial responsibility)~~)
20 and catastrophic insurance/health care services accounts;

21 (ii) Utilization of provider arrangements that encourage cost
22 containment, including but not limited to prepaid delivery systems,
23 utilization review, and prospective payment methods, and that ensure
24 access to quality care, including assuring reasonable access to local
25 providers, especially for employees residing in rural areas;

26 (iii) Coordination of state agency efforts to purchase drugs
27 effectively as provided in RCW 70.14.050;

28 (iv) Development of recommendations and methods for purchasing
29 medical equipment and supporting services on a volume discount basis;
30 and

31 (v) Development of data systems to obtain utilization data from
32 state-purchased health care programs in order to identify cost centers,
33 utilization patterns, provider and hospital practice patterns, and
34 procedure costs, utilizing the information obtained pursuant to RCW
35 41.05.031;

36 (c) To analyze areas of public and private health care interaction;

37 (d) To provide information and technical and administrative
38 assistance to the board;

1 (e) To review and approve or deny applications from counties,
2 municipalities, and other political subdivisions of the state to
3 provide state-sponsored insurance or self-insurance programs to their
4 employees in accordance with the provisions of RCW 41.04.205, setting
5 the premium contribution for approved groups as outlined in RCW
6 41.05.050;

7 (f) To appoint a health care policy technical advisory committee as
8 required by RCW 41.05.150;

9 (g) To establish billing procedures and collect funds from school
10 districts and educational service districts under RCW 28A.400.400 in a
11 way that minimizes the administrative burden on districts; and

12 (h) To promulgate and adopt rules consistent with this chapter as
13 described in RCW 41.05.160.

14 (2) On and after January 1, 1996, the public employees' benefits
15 board may implement strategies to promote managed competition among
16 employee health benefit plans. Strategies may include but are not
17 limited to:

18 (a) Standardizing the benefit package;

19 (b) Soliciting competitive bids for the benefit package;

20 (c) Limiting the state's contribution to a percent of the lowest
21 priced qualified plan within a geographical area;

22 (d) Monitoring the impact of the approach under this subsection
23 with regards to: Efficiencies in health service delivery, cost shifts
24 to subscribers, access to and choice of managed care plans state-wide,
25 and quality of health services. The health care authority shall also
26 advise on the value of administering a benchmark employer-managed plan
27 to promote competition among managed care plans. The health care
28 authority shall report its findings and recommendations to the
29 legislature by January 1, 1997.

30 (3) The health care authority shall, no later than July 1, 1996,
31 submit to the appropriate committees of the legislature, proposed
32 methods whereby, through the use of a voucher-type process, state
33 employees may enroll with any health carrier to receive employee
34 benefits. Such methods shall include the employee option of
35 participating in a health care savings account, as set forth in Title
36 48 RCW.

37 (4) The Washington health care policy board shall study the
38 necessity and desirability of the health care authority continuing as

1 a self-insuring entity and make recommendations to the appropriate
2 committees of the legislature by December 1, 1996.

3 **Sec. 4.** RCW 41.05.065 and 1996 c 140 s 1 are each amended to read
4 as follows:

5 (1) The board shall study all matters connected with the provision
6 of health care coverage, life insurance, liability insurance,
7 accidental death and dismemberment insurance, and disability income
8 insurance or any of, or a combination of, the enumerated types of
9 insurance for employees and their dependents on the best basis possible
10 with relation both to the welfare of the employees and to the state.
11 However, liability insurance shall not be made available to dependents.

12 (2) Except as provided in subsection (3) of this section, the board
13 shall develop employee benefit plans that include comprehensive health
14 care benefits for all employees. In developing these plans, the board
15 shall consider the following elements:

16 (a) Methods of maximizing cost containment while ensuring access to
17 quality health care;

18 (b) Development of provider arrangements that encourage cost
19 containment and ensure access to quality care, including but not
20 limited to prepaid delivery systems and prospective payment methods;

21 (c) Wellness incentives that focus on proven strategies, such as
22 smoking cessation, injury and accident prevention, reduction of alcohol
23 misuse, appropriate weight reduction, exercise, automobile and
24 motorcycle safety, blood cholesterol reduction, and nutrition
25 education;

26 (d) Utilization review procedures including, but not limited to a
27 cost-efficient method for prior authorization of services, hospital
28 inpatient length of stay review, requirements for use of outpatient
29 surgeries and second opinions for surgeries, review of invoices or
30 claims submitted by service providers, and performance audit of
31 providers;

32 (e) Effective coordination of benefits;

33 (f) Minimum standards for insuring entities; and

34 (g) Minimum scope and content of public employee benefit plans to
35 be offered to enrollees participating in the employee health benefit
36 plans. To maintain the comprehensive nature of employee health care
37 benefits, employee eligibility criteria related to the number of hours
38 worked and the benefits provided to employees shall be substantially

1 equivalent to the state employees' health benefits plan and eligibility
2 criteria in effect on January 1, 1993. Nothing in this subsection
3 (2)(g) shall prohibit changes or increases in employee point-of-service
4 payments or employee premium payments for benefits.

5 (3) By January 1, 1999, the board shall offer a catastrophic
6 insurance/health care savings account as an employee benefit option for
7 all employees. In developing this option, the board shall include the
8 following elements:

9 (a) Methods of maximizing cost containment while ensuring employees
10 maximum choice of providers and access to quality health care;

11 (b) Effective coordination of benefits;

12 (c) Minimum standards for insuring entities;

13 (d) Methods for maximizing financial responsibility in the purchase
14 of health services by employees;

15 (e) The establishment by the public employees' benefit board and
16 the health care authority of a technical advisory committee to provide
17 advice in the development of the benefit design and the establishment
18 of the catastrophic insurance/health care services account. The
19 technical advisory committee shall be comprised of, at a minimum,
20 representatives of insuring entities, employees, retired employees,
21 retired school employees, persons with substantial experience in
22 establishing catastrophic insurance/health care savings accounts, and
23 the persons determined to be appropriate by the board.

24 By December 2002, the health care authority, in consultation with
25 the public employees' benefits board, shall submit a report to the
26 appropriate committees of the legislature, including an analysis of
27 catastrophic insurance/health care services accounts as a continued
28 health insurance option for all employees.

29 (4) The board shall design benefits and determine the terms and
30 conditions of employee participation and coverage, including
31 establishment of eligibility criteria.

32 ~~((4))~~ (5) The board may authorize premium contributions for an
33 employee and the employee's dependents in a manner that encourages the
34 use of cost-efficient managed health care systems.

35 ~~((5))~~ (6) Employees shall choose participation in one of the
36 health care benefit plans or catastrophic insurance/health care
37 services accounts developed by the board and may be permitted to waive
38 coverage under terms and conditions established by the board.

1 (~~(6)~~) (7) The board shall review plans proposed by insuring
2 entities that desire to offer property insurance and/or accident and
3 casualty insurance to state employees through payroll deduction. The
4 board may approve any such plan for payroll deduction by insuring
5 entities holding a valid certificate of authority in the state of
6 Washington and which the board determines to be in the best interests
7 of employees and the state. The board shall promulgate rules setting
8 forth criteria by which it shall evaluate the plans.

9 (~~(7)~~) (8) Before January 1, 1998, the public employees' benefits
10 board shall make available one or more fully insured long-term care
11 insurance plans that comply with the requirements of chapter 48.84 RCW.
12 Such programs shall be made available to eligible employees, retired
13 employees, and retired school employees as well as eligible dependents
14 which, for the purpose of this section, includes the parents of the
15 employee or retiree and the parents of the spouse of the employee or
16 retiree. Employees of local governments and employees of political
17 subdivisions not otherwise enrolled in the public employees' benefits
18 board sponsored medical programs may enroll under terms and conditions
19 established by the administrator, if it does not jeopardize the
20 financial viability of the public employees' benefits board's long-term
21 care offering.

22 (a) Participation of eligible employees or retired employees and
23 retired school employees in any long-term care insurance plan made
24 available by the public employees' benefits board is voluntary and
25 shall not be subject to binding arbitration under chapter 41.56 RCW.
26 Participation is subject to reasonable underwriting guidelines and
27 eligibility rules established by the public employees' benefits board
28 and the health care authority.

29 (b) The employee, retired employee, and retired school employee are
30 solely responsible for the payment of the premium rates developed by
31 the health care authority. The health care authority is authorized to
32 charge a reasonable administrative fee in addition to the premium
33 charged by the long-term care insurer, which shall include the health
34 care authority's cost of administration, marketing, and consumer
35 education materials prepared by the health care authority and the
36 office of the insurance commissioner.

37 (c) To the extent administratively possible, the state shall
38 establish an automatic payroll or pension deduction system for the
39 payment of the long-term care insurance premiums.

1 (d) The public employees' benefits board and the health care
2 authority shall establish a technical advisory committee to provide
3 advice in the development of the benefit design and establishment of
4 underwriting guidelines and eligibility rules. The committee shall
5 also advise the board and authority on effective and cost-effective
6 ways to market and distribute the long-term care product. The
7 technical advisory committee shall be comprised, at a minimum, of
8 representatives of the office of the insurance commissioner, providers
9 of long-term care services, licensed insurance agents with expertise in
10 long-term care insurance, employees, retired employees, retired school
11 employees, and other interested parties determined to be appropriate by
12 the board.

13 (e) The health care authority shall offer employees, retired
14 employees, and retired school employees the option of purchasing long-
15 term care insurance through licensed agents or brokers appointed by the
16 long-term care insurer. The authority, in consultation with the public
17 employees' benefits board, shall establish marketing procedures and may
18 consider all premium components as a part of the contract negotiations
19 with the long-term care insurer.

20 (f) In developing the long-term care insurance benefit designs, the
21 public employees' benefits board shall include an alternative plan of
22 care benefit, including adult day services, as approved by the office
23 of the insurance commissioner.

24 (g) The health care authority, with the cooperation of the office
25 of the insurance commissioner, shall develop a consumer education
26 program for the eligible employees, retired employees, and retired
27 school employees designed to provide education on the potential need
28 for long-term care, methods of financing long-term care, and the
29 availability of long-term care insurance products including the
30 products offered by the board.

31 (h) By December 1998, the health care authority, in consultation
32 with the public employees' benefits board, shall submit a report to the
33 appropriate committees of the legislature, including an analysis of the
34 marketing and distribution of the long-term care insurance provided
35 under this section.

36 **Sec. 5.** RCW 41.05.075 and 1994 sp.s. c 9 s 724, 1994 c 309 s 3,
37 and 1994 c 153 s 6 are each reenacted and amended to read as follows:

1 (1) The administrator shall provide benefit plans or catastrophic
2 insurance/health services accounts designed by the board through a
3 contract or contracts with insuring entities, through self-funding,
4 self-insurance, or other methods of providing insurance coverage
5 authorized by RCW 41.05.140.

6 (2) The administrator shall establish a contract bidding process
7 that:

8 (a) Encourages competition among insuring entities;

9 (b) Maintains an equitable relationship between premiums charged
10 for similar benefits and between risk pools including premiums charged
11 for retired state and school district employees under the separate risk
12 pools established by RCW 41.05.022 and 41.05.080 such that insuring
13 entities may not avoid risk when establishing the premium rates for
14 retirees eligible for medicare;

15 (c) Is timely to the state budgetary process; and

16 (d) Sets conditions for awarding contracts to any insuring entity.

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

20 (4) The administrator shall centralize the enrollment files for all
21 employee and retired or disabled school employee health plans offered
22 under chapter 41.05 RCW and develop enrollment demographics on a plan-
23 specific basis.

24 (5) All claims data shall be the property of the state. The
25 administrator may require of any insuring entity that submits a bid to
26 contract for coverage all information deemed necessary including
27 subscriber or member demographic and claims data necessary for risk
28 assessment and adjustment calculations in order to fulfill the
29 administrator's duties as set forth in this chapter.

30 (6) All contracts with insuring entities for the provision of
31 comprehensive health care benefits shall provide that the beneficiaries
32 of such benefit plans may use on an equal participation basis the
33 services of practitioners licensed pursuant to chapters 18.22, 18.25,
34 18.32, 18.53, 18.57, 18.71, 18.74, 18.83, and 18.79 RCW, as it applies
35 to registered nurses and advanced registered nurse practitioners.
36 However, nothing in this subsection may preclude the administrator from
37 establishing appropriate utilization controls approved pursuant to RCW
38 41.05.065(2) (a), (b), and (d). Furthermore, nothing in this

1 subsection applies these requirements to catastrophic insurance/health
2 care savings accounts offered as an option to all state employees.

3 (7) Beginning in January 1990, and each January thereafter until
4 January 1996, the administrator shall publish and distribute to each
5 school district a description of health care benefit plans available
6 through the authority and the estimated cost if school district
7 employees were enrolled.

8 **Sec. 6.** RCW 41.05.140 and 1994 c 153 s 10 are each amended to read
9 as follows:

10 (1) The authority may self-fund, self-insure, or enter into other
11 methods of providing insurance coverage for insurance programs,
12 including catastrophic insurance/health care savings accounts, under
13 its jurisdiction except property and casualty insurance. The authority
14 shall contract for payment of claims or other administrative services
15 for programs under its jurisdiction. If a program does not require the
16 prepayment of reserves, the authority shall establish such reserves
17 within a reasonable period of time for the payment of claims as are
18 normally required for that type of insurance under an insured program.

19 (2) Reserves established by the authority for employee and retiree
20 benefit programs shall be held in a separate trust fund by the state
21 treasurer and shall be known as the public employees' and retirees'
22 insurance reserve fund. The state investment board shall act as the
23 investor for the funds and, except as provided in RCW 43.33A.160, one
24 hundred percent of all earnings from these investments shall accrue
25 directly to the public employees' and retirees' insurance reserve fund.

26 (3) Any savings realized as a result of a program created for
27 employees and retirees under this section shall not be used to increase
28 benefits unless such use is authorized by statute.

29 (4) Any program created under this section shall be subject to the
30 examination requirements of chapter 48.03 RCW as if the program were a
31 domestic insurer. In conducting an examination, the commissioner shall
32 determine the adequacy of the reserves established for the program.

33 (5) The authority shall keep full and adequate accounts and records
34 of the assets, obligations, transactions, and affairs of any program
35 created under this section.

36 (6) The authority shall file a quarterly statement of the financial
37 condition, transactions, and affairs of any program created under this
38 section in a form and manner prescribed by the insurance commissioner.

1 The statement shall contain information as required by the commissioner
2 for the type of insurance being offered under the program. A copy of
3 the annual statement shall be filed with the speaker of the house of
4 representatives and the president of the senate.

5 **Sec. 7.** RCW 41.05.170 and 1989 c 345 s 4 are each amended to read
6 as follows:

7 (1) Each health plan offered to public employees and their covered
8 dependents under this chapter which is not subject to the provisions of
9 Title 48 RCW and is established or renewed on or after twelve months
10 after July 23, 1989, shall include coverage for neurodevelopmental
11 therapies for covered individuals age six and under.

12 (2) Benefits provided under this section shall cover the services
13 of those authorized to deliver occupational therapy, speech therapy,
14 and physical therapy. Benefits shall be payable only where the
15 services have been delivered pursuant to the referral and periodic
16 review of a holder of a license issued pursuant to chapter 18.71 or
17 18.57 RCW or where covered services have been rendered by such
18 licensee. Nothing in this section shall preclude a self-funded plan
19 authorized under this chapter from negotiating rates with qualified
20 providers.

21 (3) Benefits provided under this section shall be for medically
22 necessary services as determined by the self-funded plan authorized
23 under this chapter. Benefits shall be payable for services for the
24 maintenance of a covered individual in cases where significant
25 deterioration in the patient's condition would result without the
26 service. Benefits shall be payable to restore and improve function.

27 (4) It is the intent of this section that the state, as an employer
28 providing comprehensive health coverage including the benefits required
29 by this section, retains the authority to design and employ utilization
30 and cost controls. Therefore, benefits delivered under this section
31 may be subject to contractual provisions regarding deductible amounts
32 and/or copayments established by the self-funded plan authorized under
33 this chapter. Benefits provided under this section may be subject to
34 standard waiting periods for preexisting conditions, and may be subject
35 to the submission of written treatment plans.

36 (5) In recognition of the intent expressed in subsection (4) of
37 this section, benefits provided under this section may be subject to
38 contractual provisions establishing annual and/or lifetime benefit

1 limits. Such limits may define the total dollar benefits available, or
2 may limit the number of services delivered as established by the self-
3 funded plan authorized under this chapter.

4 (6) Catastrophic insurance/health services accounts developed under
5 RCW 41.05.065(3) are not required to comply with this section.

6 **Sec. 8.** RCW 41.05.180 and 1994 sp.s. c 9 s 725 are each amended to
7 read as follows:

8 Each health plan offered to public employees and their covered
9 dependents under this chapter that is not subject to the provisions of
10 Title 48 RCW and is established or renewed after January 1, 1990, and
11 that provides benefits for hospital or medical care shall provide
12 benefits for screening or diagnostic mammography services, provided
13 that such services are delivered upon the recommendation of the
14 patient's physician or advanced registered nurse practitioner as
15 authorized by the nursing care quality assurance commission pursuant to
16 chapter 18.79 RCW or physician assistant pursuant to chapter 18.71A
17 RCW.

18 This section shall not be construed to prevent the application of
19 standard health plan provisions applicable to other benefits such as
20 deductible or copayment provisions. This section does not limit the
21 authority of the state health care authority to negotiate rates and
22 contract with specific providers for the delivery of mammography
23 services. This section shall not apply to medicare supplement policies
24 or supplemental contracts covering a specified disease or other limited
25 benefits. This section does not apply to catastrophic insurance/health
26 services accounts developed under RCW 41.05.065(3).

27 NEW SECTION. **Sec. 9.** If Senate Bill No. 5178 becomes law,
28 catastrophic insurance/health services accounts developed under RCW
29 41.05.065(3) are not required to comply with the provisions of Senate
30 Bill No. 5178.

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