
SENATE BILL 5313

State of Washington 58th Legislature 2003 Regular Session

By Senators Kastama, Kohl-Welles, Thibaudeau, Rasmussen and Poulsen

Read first time 01/22/2003. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to the Washington health care recovery act; adding
2 a new section to chapter 70.47 RCW; adding a new section to chapter
3 48.43 RCW; adding a new section to chapter 41.05 RCW; adding a new
4 section to chapter 48.47 RCW; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** FINDINGS. The legislature makes the
7 following findings:

8 (1) Despite numerous efforts to improve health care in the state,
9 the crisis continues to worsen;

10 (2) While this crisis is caused, to a great degree, by rising costs
11 associated with changing demographics and the increasing availability
12 of costly drugs and treatments, it is equally due to the lack of
13 effective public policy governing the purpose of a health care system,
14 its governance and financing, and related individual and/or
15 organizational responsibilities;

16 (3) Employer-based coverage has been on the decline for some time
17 because the cost of providing adequate worker coverage can
18 significantly affect the viability of a business, while minimal
19 employer contributions can place an undue burden upon the worker; and

1 (4) While consumer choice is important, the growing demand on
2 existing resources requires that funding be focused on services
3 identified to improve health status in the most economical manner.

4 NEW SECTION. **Sec. 2.** INTENT. The legislature intends that health
5 care improvement efforts include the following principles:

6 (1) Residents are fundamentally responsible for their health to the
7 extent it depends on the choices they make about the way they live;

8 (2) To support its residents in improving their health, Washington
9 state must establish a system that maintains and improves, where
10 possible and necessary, the health status of residents in a clinically
11 efficacious and cost-effective manner;

12 (3) While effective rules are necessary, they should be limited to
13 protecting the safety of consumers, ensuring necessary disclosure and
14 privacy of health information, providing fairness, ensuring adequate
15 and timely payment to providers, hospital, and other vendors, and
16 collecting necessary data to support patient care and affect necessary
17 public policy;

18 (4) It should not be the expectation of Washington's health care
19 system to maximize a resident's functioning or personal happiness, or
20 provide medical treatment when nonmedical approaches are readily
21 available. Thus, the system should be designed to minimize enrollee
22 encounters, if possible;

23 (5) An effective health care system is necessary for successful
24 economic, educational, and community infrastructures;

25 (6) Each resident should have access to a minimal set of health
26 services necessary to maintain his or her health status at an
27 acceptable level;

28 (7) Residents should have a choice of types of providers and
29 treatments, but such services should be limited to the provider's
30 practice scope and treatment that have been deemed clinically
31 efficacious through standard scientific methods and cost-effective; and

32 (8) The funding and maintenance of an effective health care system
33 is the joint responsibility of consumers, providers, health-related
34 manufacturers, employers, and governments. These responsibilities
35 should be clearly delineated and readily met.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 70.47 RCW
2 to read as follows:

3 **BENEFIT DESIGN.** (1) The schedule of basic health care services
4 designed by the administrator pursuant to RCW 70.47.060 shall include
5 the following:

6 (a) To the extent data is available, benefits designed using
7 evidence-based methods with explicit health outcomes;

8 (b) Catastrophic coverage, including inpatient and specialty care,
9 pharmaceuticals, durable medical equipment, and therapies upon the
10 satisfaction of a three thousand dollar deductible per person, not to
11 exceed five thousand dollars per family. Catastrophic coverage shall
12 be provided without copays or coinsurance, except for pharmaceuticals
13 and durable medical equipment, which may be subject to copays and/or
14 coinsurance;

15 (c) Primary care, as defined by the health care authority, with a
16 copayment of no more than fifteen dollars and/or coinsurance of no more
17 than twenty percent; and

18 (d) Preventive services, with no additional enrollee costs, based
19 on care developed by the state board of health in consideration of
20 nationally recognized standards.

21 (2) The benefits included shall be reasonably expected to drive
22 average total coverage costs in the basic health plan of no more than
23 one hundred fifty dollars per enrollee per month.

24 (3) Working with appropriate local organizations, the health care
25 authority may develop alternative plans that, although meeting the
26 requirements of subsections (1) and (2) of this section, are otherwise
27 designed to address the specific population, health care system, or
28 other unique circumstances presented by the local areas for which they
29 are developed. The administrator may accept payment from an enrollee's
30 employer in lieu of all or any portion of the state subsidy for an
31 enrollee in an alternative plan. The unused state funds shall be used
32 to subsidize additional enrollees in the local area.

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.43 RCW
34 to read as follows:

35 By January 1, 2005, a carrier offering any individual health
36 benefit plan shall offer to all individuals a health benefit plan
37 providing benefits identical to those included in the basic health plan

1 under chapter 70.47 RCW. Such a plan is not required to include any
2 benefits other than those in the basic health plan and is to be known
3 as the Washington standard plan.

4 NEW SECTION. **Sec. 5.** STUDIES. The governor, in consultation with
5 the legislature, shall determine methods, means, and schedules for the
6 following studies:

7 (1) Methods of streamlining purchaser, carrier, and provider health
8 care operations in areas of credentialing of providers, billings and
9 claims, patient information, and enrollee access to health prevention
10 information;

11 (2) Review of existing mandated benefits to determine degrees of
12 clinical efficacy and cost-effectiveness;

13 (3) Review of all insurance and provider licensure regulations for
14 the purpose of eliminating those that are unnecessary;

15 (4) Analysis of consolidating and reorganizing existing state
16 health agencies to increase efficiency;

17 (5) Develop methods to modify payment and other compliance
18 requirements to ensure an adequate percentage of provider's time for
19 patient care;

20 (6) Review of methods to recruit and retain necessary providers in
21 underserved areas;

22 (7) Review of current federal and state-funded benefit programs to
23 ensure that benefits are based on evidence of improving health status;
24 and

25 (8) Review of methods to maximize the availability of federal funds
26 to expand low-income access.

27 NEW SECTION. **Sec. 6.** A new section is added to chapter 41.05 RCW
28 to read as follows:

29 **QUALITY ASSURANCE.** The administrator, in consultation with a
30 committee of agency medical directors, shall:

31 (1) Develop and implement a process to assure that any decision
32 regarding the health care services and products for which the state
33 pays is evidence-based, reflecting the conscientious, explicit, and
34 judicious use of current best evidence with regard to patient care; and

35 (2) Establish a scientifically based health care electronic

1 communication program to educate consumers on improving their health
2 status without medical intervention and to assist them in making
3 appropriate choices when medical treatment is necessary.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 48.47 RCW
5 to read as follows:

6 MANDATED BENEFIT MORATORIUM. After the effective date of this act,
7 the authorization of mandated benefits is prohibited pending the
8 completion of the related study required in section 5 of this act.

9 NEW SECTION. **Sec. 8.** Captions used in this act are not any part
10 of the law.

11 NEW SECTION. **Sec. 9.** This act may be known and cited as the
12 Washington health care recovery act.

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