
ENGROSSED SUBSTITUTE HOUSE BILL 2060

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Cody, Schual-Berke, Appleton, Morrell, Moeller, Green, Clibborn, Kenney, Upthegrove, Conway, Chase, Darneille, Haigh and Santos)

READ FIRST TIME 03/07/05.

1 AN ACT Relating to expanding participation in state purchased
2 health care programs; and amending RCW 70.47.020 and 48.43.018.

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

4 **Sec. 1.** RCW 70.47.020 and 2004 c 192 s 1 are each amended to read
5 as follows:

6 As used in this chapter:

7 (1) "Washington basic health plan" or "plan" means the system of
8 enrollment and payment for basic health care services, administered by
9 the plan administrator through participating managed health care
10 systems, created by this chapter.

11 (2) "Administrator" means the Washington basic health plan
12 administrator, who also holds the position of administrator of the
13 Washington state health care authority.

14 (3) "Health coverage tax credit program" means the program created
15 by the Trade Act of 2002 (P.L. 107-210) that provides a federal tax
16 credit that subsidizes private health insurance coverage for displaced
17 workers certified to receive certain trade adjustment assistance
18 benefits and for individuals receiving benefits from the pension
19 benefit guaranty corporation.

1 (4) "Health coverage tax credit eligible enrollee" means individual
2 workers and their qualified family members who lose their jobs due to
3 the effects of international trade and are eligible for certain trade
4 adjustment assistance benefits; or are eligible for benefits under the
5 alternative trade adjustment assistance program; or are people who
6 receive benefits from the pension benefit guaranty corporation and are
7 at least fifty-five years old.

8 (5) "Managed health care system" means: (a) Any health care
9 organization, including health care providers, insurers, health care
10 service contractors, health maintenance organizations, or any
11 combination thereof, that provides directly or by contract basic health
12 care services, as defined by the administrator and rendered by duly
13 licensed providers, to a defined patient population enrolled in the
14 plan and in the managed health care system; or (b) a self-funded or
15 self-insured method of providing insurance coverage to subsidized
16 enrollees provided under RCW 41.05.140 and subject to the limitations
17 under RCW 70.47.100(7).

18 (6) "Subsidized enrollee" means an individual, or an individual
19 plus the individual's spouse or dependent children: (a) Who is not
20 eligible for medicare; (b) who is not confined or residing in a
21 government-operated institution, unless he or she meets eligibility
22 criteria adopted by the administrator; (c) who resides in an area of
23 the state served by a managed health care system participating in the
24 plan; (d) whose gross family income at the time of enrollment does not
25 exceed two hundred percent of the federal poverty level as adjusted for
26 family size and determined annually by the federal department of health
27 and human services; and (e) who chooses to obtain basic health care
28 coverage from a particular managed health care system in return for
29 periodic payments to the plan. To the extent that state funds are
30 specifically appropriated for this purpose, with a corresponding
31 federal match, "subsidized enrollee" also means an individual, or an
32 individual's spouse or dependent children, who meets the requirements
33 in (a) through (c) and (e) of this subsection and whose gross family
34 income at the time of enrollment is more than two hundred percent, but
35 less than two hundred fifty-one percent, of the federal poverty level
36 as adjusted for family size and determined annually by the federal
37 department of health and human services.

1 (7) "Nonsubsidized enrollee" means an individual, or an individual
2 plus the individual's spouse or dependent children: (a) Who is not
3 eligible for medicare; (b) who is not confined or residing in a
4 government-operated institution, unless he or she meets eligibility
5 criteria adopted by the administrator; (c) who is accepted for
6 enrollment by the administrator as provided in RCW 48.43.018, either
7 because the potential enrollee cannot be required to complete the
8 standard health questionnaire under RCW 48.43.018, or, based upon the
9 results of the standard health questionnaire, the potential enrollee
10 would not qualify for coverage under the Washington state health
11 insurance pool; (d) who resides in an area of the state served by a
12 managed health care system participating in the plan; ~~((+d))~~ (e) who
13 chooses to obtain basic health care coverage from a particular managed
14 health care system; and ~~((+e))~~ (f) who pays or on whose behalf is paid
15 the full costs for participation in the plan, without any subsidy from
16 the plan.

17 (8) "Subsidy" means the difference between the amount of periodic
18 payment the administrator makes to a managed health care system on
19 behalf of a subsidized enrollee plus the administrative cost to the
20 plan of providing the plan to that subsidized enrollee, and the amount
21 determined to be the subsidized enrollee's responsibility under RCW
22 70.47.060(2).

23 (9) "Premium" means a periodic payment, ~~((based upon gross family~~
24 ~~income))~~ which an individual, their employer or another financial
25 sponsor makes to the plan as consideration for enrollment in the plan
26 as a subsidized enrollee, a nonsubsidized enrollee, or a health
27 coverage tax credit eligible enrollee.

28 (10) "Rate" means the amount, negotiated by the administrator with
29 and paid to a participating managed health care system, that is based
30 upon the enrollment of subsidized, nonsubsidized, and health coverage
31 tax credit eligible enrollees in the plan and in that system.

32 **Sec. 2.** RCW 48.43.018 and 2004 c 244 s 3 are each amended to read
33 as follows:

34 (1) Except as provided in (a) through (e) of this subsection, a
35 health carrier may require any person applying for an individual health
36 benefit plan and the health care authority shall require any person

1 applying for nonsubsidized enrollment in the basic health plan to
2 complete the standard health questionnaire designated under chapter
3 48.41 RCW.

4 (a) If a person is seeking an individual health benefit plan or
5 enrollment in the basic health plan as a nonsubsidized enrollee due to
6 his or her change of residence from one geographic area in Washington
7 state to another geographic area in Washington state where his or her
8 current health plan is not offered, completion of the standard health
9 questionnaire shall not be a condition of coverage if application for
10 coverage is made within ninety days of relocation.

11 (b) If a person is seeking an individual health benefit plan or
12 enrollment in the basic health plan as a nonsubsidized enrollee:

13 (i) Because a health care provider with whom he or she has an
14 established care relationship and from whom he or she has received
15 treatment within the past twelve months is no longer part of the
16 carrier's provider network under his or her existing Washington
17 individual health benefit plan; and

18 (ii) His or her health care provider is part of another carrier's
19 or a basic health plan managed care system's provider network; and

20 (iii) Application for a health benefit plan under that carrier's
21 provider network individual coverage or for basic health plan
22 nonsubsidized enrollment is made within ninety days of his or her
23 provider leaving the previous carrier's provider network; then
24 completion of the standard health questionnaire shall not be a
25 condition of coverage.

26 (c) If a person is seeking an individual health benefit plan or
27 enrollment in the basic health plan as a nonsubsidized enrollee due to
28 his or her having exhausted continuation coverage provided under 29
29 U.S.C. Sec. 1161 et seq., completion of the standard health
30 questionnaire shall not be a condition of coverage if application for
31 coverage is made within ninety days of exhaustion of continuation
32 coverage. A health carrier or the health care authority as
33 administrator of basic health plan nonsubsidized coverage shall accept
34 an application without a standard health questionnaire from a person
35 currently covered by such continuation coverage if application is made
36 within ninety days prior to the date the continuation coverage would be
37 exhausted and the effective date of the individual coverage applied for

1 is the date the continuation coverage would be exhausted, or within
2 ninety days thereafter.

3 (d) If a person is seeking an individual health benefit plan or
4 enrollment in the basic health plan as a nonsubsidized enrollee due to
5 his or her receiving notice that his or her coverage under a conversion
6 contract is discontinued, completion of the standard health
7 questionnaire shall not be a condition of coverage if application for
8 coverage is made within ninety days of discontinuation of eligibility
9 under the conversion contract. A health carrier or the health care
10 authority as administrator of basic health plan nonsubsidized coverage
11 shall accept an application without a standard health questionnaire
12 from a person currently covered by such conversion contract if
13 application is made within ninety days prior to the date eligibility
14 under the conversion contract would be discontinued and the effective
15 date of the individual coverage applied for is the date eligibility
16 under the conversion contract would be discontinued, or within ninety
17 days thereafter.

18 (e) If a person is seeking an individual health benefit plan or
19 enrollment in the basic health plan as a nonsubsidized enrollee and,
20 but for the number of persons employed by his or her employer, would
21 have qualified for continuation coverage provided under 29 U.S.C. Sec.
22 1161 et seq., completion of the standard health questionnaire shall not
23 be a condition of coverage if: (i) Application for coverage is made
24 within ninety days of a qualifying event as defined in 29 U.S.C. Sec.
25 1163; and (ii) the person had at least twenty-four months of continuous
26 group coverage immediately prior to the qualifying event. A health
27 carrier or the health care authority as administrator of basic health
28 plan nonsubsidized coverage shall accept an application without a
29 standard health questionnaire from a person with at least twenty-four
30 months of continuous group coverage if application is made no more than
31 ninety days prior to the date of a qualifying event and the effective
32 date of the individual coverage applied for is the date of the
33 qualifying event, or within ninety days thereafter.

34 (2) If, based upon the results of the standard health
35 questionnaire, the person qualifies for coverage under the Washington
36 state health insurance pool, the following shall apply:

37 (a) The carrier may decide not to accept the person's application
38 for enrollment in its individual health benefit plan and the health

1 care authority, as administrator of basic health plan nonsubsidized
2 coverage, shall not accept the person's application for enrollment as
3 a nonsubsidized enrollee; and

4 (b) Within fifteen business days of receipt of a completed
5 application, the carrier or the health care authority as administrator
6 of basic health plan nonsubsidized coverage shall provide written
7 notice of the decision not to accept the person's application for
8 enrollment to both the person and the administrator of the Washington
9 state health insurance pool. The notice to the person shall state that
10 the person is eligible for health insurance provided by the Washington
11 state health insurance pool, and shall include information about the
12 Washington state health insurance pool and an application for such
13 coverage. If the carrier or the health care authority as administrator
14 of basic health plan nonsubsidized coverage does not provide or
15 postmark such notice within fifteen business days, the application is
16 deemed approved.

17 (3) If the person applying for an individual health benefit plan:
18 (a) Does not qualify for coverage under the Washington state health
19 insurance pool based upon the results of the standard health
20 questionnaire; (b) does qualify for coverage under the Washington state
21 health insurance pool based upon the results of the standard health
22 questionnaire and the carrier elects to accept the person for
23 enrollment; or (c) is not required to complete the standard health
24 questionnaire designated under this chapter under subsection (1)(a) or
25 (b) of this section, the carrier or the health care authority as
26 administrator of basic health plan nonsubsidized coverage, whichever
27 entity administered the standard health questionnaire, shall accept the
28 person for enrollment if he or she resides within the carrier's or the
29 basic health plan's service area and provide or assure the provision of
30 all covered services regardless of age, sex, family structure,
31 ethnicity, race, health condition, geographic location, employment
32 status, socioeconomic status, other condition or situation, or the
33 provisions of RCW 49.60.174(2). The commissioner may grant a temporary
34 exemption from this subsection if, upon application by a health
35 carrier, the commissioner finds that the clinical, financial, or
36 administrative capacity to serve existing enrollees will be impaired if

1 a health carrier is required to continue enrollment of additional
2 eligible individuals.

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