

E2SHB 1569 S AMD to S AMD (S-3448.1/07) **440**

By Senators Parlette and Haugen

NOT ADOPTED 4/12/2007

1 On page 3, at the beginning of line 4 of the amendment, strike all
2 material through page 20, line 19 and insert the following:

3 "NEW SECTION. **Sec. 4.** A new section is added to chapter 41.05 RCW
4 to read as follows:

5 (1) The authority, in collaboration with an advisory board
6 established under subsection (3) of this section, shall design a
7 Washington health insurance connector and submit implementing
8 legislation and supporting information, including funding options, to
9 the governor and the legislature by December 1, 2007. The connector
10 shall be designed to serve as a statewide, public-private
11 partnership, offering maximum value for Washington state residents,
12 through which nonlarge group health insurance may be bought and sold.
13 It is the goal of the connector to:

14 (a) Ensure that employees of small businesses and other
15 individuals can find affordable health insurance;

16 (b) Provide a mechanism for small businesses to contribute to
17 their employees' coverage without the administrative burden of
18 directly shopping or contracting for insurance;

19 (c) Ensure that individuals can access coverage as they change
20 and/or work in multiple jobs;

21 (d) Coordinate with other state agency health insurance
22 assistance programs, including the department of social and health
23 services medical assistance programs and the authority's basic health
24 program; and

25 (e) Lead the health insurance marketplace in implementation of
26 evidence-based medicine, data transparency, prevention and wellness
27 incentives, and outcome-based reimbursement.

28 (2) In designing the connector, the authority shall:

29 (a) Address all operational and governance issues;

30 (b) Consider best practices in the private and public sectors
31 regarding, but not limited to, such issues as risk and/or purchasing
32 pooling, market competition drivers, risk selection, and consumer
33 choice and responsibility incentives; and

34 (c) Address key functions of the connector, including but not
35 limited to:

36 (i) Methods for small businesses and their employees to realize
37 tax benefits from their financial contributions;

38 (ii) Options for offering choice among a broad array of
39 affordable insurance products designed to meet individual needs,
40 including waiving some current regulatory requirements. Options may
41 include a health savings account/high-deductible health plan, a
42 comprehensive health benefit plan, and other benchmark plans;

43 (iii) Benchmarking health insurance products to a reasonable
44 standard to enable individuals to make an informed choice of the
45 coverage that is right for them;

46 (iv) Aggregating premium contributions for an individual from
47 multiple sources: Employers, individuals, philanthropies, and government;

1 (v) Mechanisms to collect and distribute workers' enrollment
2 information and premium payments to the health plan of their choice;

3 (vi) Mechanisms for spreading health risk widely to support
4 health insurance premiums that are more affordable;

5 (vii) Opportunities to reward carriers and consumers whose
6 behavior is consistent with quality, efficiency, and evidence-based
7 best practices;

8 (viii) Coordination of the transmission of premium assistance
9 payments with the department of social and health services for
10 individuals eligible for the department's employer-sponsored
11 insurance program.

12 (3) The authority shall appoint an advisory board and designate
13 a chair. Members of the advisory board shall receive no compensation,
14 but shall be reimbursed for expenses under RCW 43.03.050 and
15 43.03.060. Meetings of the board are subject to chapter 42.30 RCW,
16 the open public meetings act, including RCW 42.30.110(1)(1), which
17 authorizes an executive session during a regular or special meeting
18 to consider proprietary or confidential nonpublished information.

19 (4) The authority may enter into contracts to issue, distribute,
20 and administer grants that are necessary or proper to carry out the
21 requirements of this section.

22 **Sec. 2.** RCW 70.47A.040 and 2006 c 255 s 4 are each amended to read as
23 follows:

24 (1) Beginning July 1, 2007, the administrator shall accept
25 applications from eligible employees, on behalf of themselves, their
26 spouses, and their dependent children, to receive premium subsidies
27 through the small employer health insurance partnership program.

28 (2) Premium subsidy payments may be provided to eligible
29 employees ~~((if+))~~ or participating carriers on behalf of employees.

30 (a) The eligible employee ~~((is))~~ must be employed by a small
31 employer~~((+))~~.

32 ~~((The actuarial value of the health benefit plan offered by
33 the small employer is at least equivalent to that of the basic health
34 plan benefit offered under chapter 70.47 RCW. The office of the
35 insurance commissioner under Title 48 RCW shall certify those small
36 employer health benefit plans that are at least actuarially
37 equivalent to the basic health plan benefit; and))~~ Small employers
38 may offer any available health benefit plan including health savings
39 accounts. Health savings account subsidy payments may be provided to
40 eligible employees if the eligible employee participates in an
41 employer-sponsored high deductible health plan and health savings
42 account that conforms to the requirements of the United States
43 internal revenue service.

44 (c) The small employer will pay at least forty percent of the
45 monthly premium cost for health benefit plan coverage of the eligible
46 employee.

47 (3) The amount of an eligible employee's premium subsidy shall
48 be determined by applying the sliding scale subsidy schedule
49 developed for subsidized basic health plan enrollees under RCW
50 70.47.060 to the employee's premium obligation for his or her
51 employer's health benefit plan.

52 (4) After an eligible individual has enrolled in the program,
53 the program shall issue subsidies in an amount determined pursuant to

1 subsection (3) of this section to either the eligible employee or to
2 the carrier designated by the eligible employee.

3 (5) An eligible employee must agree to provide verification of
4 continued enrollment in his or her small employer's health benefit
5 plan on a semiannual basis or to notify the administrator whenever
6 his or her enrollment status changes, whichever is earlier.
7 Verification or notification may be made directly by the employee, or
8 through his or her employer or the carrier providing the small
9 employer health benefit plan. When necessary, the administrator has
10 the authority to perform retrospective audits on premium subsidy
11 accounts. The administrator may suspend or terminate an employee's
12 participation in the program and seek repayment of any subsidy
13 amounts paid due to the omission or misrepresentation of an applicant
14 or enrolled employee. The administrator shall adopt rules to define
15 the appropriate application of these sanctions and the processes to
16 implement the sanctions provided in this subsection, within available
17 resources."

18 **E2SHB 1569** - S AMD to S AMD (S-3448.1/07)

19 Beginning on page 20, line 20 of the title amendment, after
20 "line" strike all material through "emergency" on page 21, line 3,
21 and insert "2 of the title, after "state;" insert "amending RCW
22 70.47A.040, and creating a new section"

23

EFFECT: Inserts the "connector" study from SB 5930, modifies the
benefit requirement for SEHIP and allows premium assistance for
any small group product including an HSA, eliminates the
Partnership modifications, the two Partnership studies and the
benefit mandate study, reverts to the original House Bill title.

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