

**E2SHB 1569** - S AMD to S AMD S-3448.1/07 438

By Senator Pflug

WITHDRAWN 4/12/2007

1 Beginning on page 6, line 22, strike all material after "Sec. 6."  
2 through page 7, line 26, and insert the following:

3 "RCW 70.47A.040 and 2006 c 255 s 4 are each amended to read as follows:

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

8 (2) Premium subsidy payments may be provided to eligible employees  
9 if:(a) The eligible employee is employed by a small employer; and

10 (b) (~~((The actuarial value of the health benefit plan offered by the  
11 small employer is at least equivalent to that of the basic health plan  
12 benefit offered under chapter 70.47 RCW. The office of the insurance  
13 commissioner under Title 48 RCW shall certify those small employer  
14 health benefit plans that are at least actuarially equivalent to the  
15 basic health plan benefit; and ))~~)

16 Small employers may offer any available health benefit plan including  
17 health savings accounts. Health savings account subsidy payments may  
18 be provided to eligible employees if the eligible employee participates  
19 in an employer-sponsored high deductible health plan and health savings  
20 account that conforms to the requirements of the United States internal  
21 revenue service.

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

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

29 (4) After an eligible individual has enrolled in the program, the  
30 program shall issue subsidies in an amount determined pursuant to  
31 subsection (3) of this section to either the eligible employee or to  
32 the carrier designated by the eligible employee.

33 (5) An eligible employee must agree to provide verification of  
34 continued enrollment in his or her small employer's health benefit plan

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

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**EFFECT:** Modifies the requirement for SEHIP to have benefits that are actuarially equivalent to Basic Health, to allow any benefits offered in the small group market including and HSA.

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