

SSB 6030 - S AMD 136

By Senator Parlette

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 48.43.041 and 2000 c 79 s 26 are each amended to read  
4 as follows:

5 (1) All individual health benefit plans, other than catastrophic  
6 health plans(~~(, offered or renewed on or after October 1, 2000)~~) and  
7 plans for young adults as described in subsection (3) of this section,  
8 shall include benefits described in this section. Nothing in this  
9 section shall be construed to require a carrier to offer an individual  
10 health benefit plan.

11 (a) Maternity services that include, with no enrollee cost-sharing  
12 requirements beyond those generally applicable cost-sharing  
13 requirements: Diagnosis of pregnancy; prenatal care; delivery; care  
14 for complications of pregnancy; physician services; hospital services;  
15 operating or other special procedure rooms; radiology and laboratory  
16 services; appropriate medications; anesthesia; and services required  
17 under RCW 48.43.115; and

18 (b) Prescription drug benefits with at least a two thousand dollar  
19 benefit payable by the carrier annually.

20 (2) If a carrier offers a health benefit plan that is not a  
21 catastrophic health plan to groups, and it chooses to offer a health  
22 benefit plan to individuals, it must offer at least one health benefit  
23 plan to individuals that is not a catastrophic health plan.

24 (3) Carriers may design and offer a separate health plan targeted  
25 at young adults between nineteen and thirty-four years of age. The  
26 plan may include the benefits required under subsections (1) and (2) of  
27 this section but is not required to include these benefits. The health  
28 plan designed for young adults may be exempt from the requirements of  
29 RCW 48.43.045(1), 48.43.515(5), 48.44.327, 48.20.392, and 48.46.277.

1       **Sec. 2.** RCW 48.44.022 and 2006 c 100 s 3 are each amended to read  
2 as follows:

3       (1) Except for health benefit plans covered under RCW 48.44.021,  
4 premium rates for health benefit plans for individuals shall be subject  
5 to the following provisions:

6       (a) The health care service contractor shall develop its rates  
7 based on an adjusted community rate and may only vary the adjusted  
8 community rate for:

- 9       (i) Geographic area;
- 10       (ii) Family size;
- 11       (iii) Age;
- 12       (iv) Tenure discounts; and
- 13       (v) Wellness activities.

14       (b) The adjustment for age in (a)(iii) of this subsection may not  
15 use age brackets smaller than five-year increments which shall begin  
16 with age twenty and end with age sixty-five. Individuals under the age  
17 of twenty shall be treated as those age twenty.

18       (c) The health care service contractor shall be permitted to  
19 develop separate rates for individuals age sixty-five or older for  
20 coverage for which medicare is the primary payer and coverage for which  
21 medicare is not the primary payer. Both rates shall be subject to the  
22 requirements of this subsection.

23       (d) Except as provided in subsection (2) of this section, the  
24 permitted rates for any age group shall be no more than four hundred  
25 twenty-five percent of the lowest rate for all age groups on January 1,  
26 1996, four hundred percent on January 1, 1997, and three hundred  
27 seventy-five percent on January 1, 2000, and thereafter.

28       (e) A discount for wellness activities shall be permitted to  
29 reflect actuarially justified differences in utilization or cost  
30 attributed to such programs.

31       (f) The rate charged for a health benefit plan offered under this  
32 section may not be adjusted more frequently than annually except that  
33 the premium may be changed to reflect:

- 34       (i) Changes to the family composition;
- 35       (ii) Changes to the health benefit plan requested by the  
36 individual; or
- 37       (iii) Changes in government requirements affecting the health  
38 benefit plan.

1 (g) For the purposes of this section, a health benefit plan that  
2 contains a restricted network provision shall not be considered similar  
3 coverage to a health benefit plan that does not contain such a  
4 provision, provided that the restrictions of benefits to network  
5 providers result in substantial differences in claims costs. This  
6 subsection does not restrict or enhance the portability of benefits as  
7 provided in RCW 48.43.015.

8 (h) A tenure discount for continuous enrollment in the health plan  
9 of two years or more may be offered, not to exceed ten percent.

10 (2) Adjusted community rates established under this section shall  
11 pool the medical experience of all individuals purchasing coverage,  
12 except individuals purchasing coverage under RCW 48.44.021, and shall  
13 not be required to be pooled with the medical experience of health  
14 benefit plans offered to small employers under RCW 48.44.023. Carriers  
15 may treat young adults and products developed specifically for them  
16 consistent with RCW 48.43.041(3) as a single banded experience pool for  
17 purposes of establishing rates. The rates established for this age  
18 group are not subject to subsection (1)(d) of this section.

19 (3) As used in this section and RCW 48.44.023 "health benefit  
20 plan," "small employer," "adjusted community rates," and "wellness  
21 activities" mean the same as defined in RCW 48.43.005.

22 **Sec. 3.** RCW 48.46.064 and 2006 c 100 s 5 are each amended to read  
23 as follows:

24 (1) Except for health benefit plans covered under RCW 48.46.063,  
25 premium rates for health benefit plans for individuals shall be subject  
26 to the following provisions:

27 (a) The health maintenance organization shall develop its rates  
28 based on an adjusted community rate and may only vary the adjusted  
29 community rate for:

- 30 (i) Geographic area;
- 31 (ii) Family size;
- 32 (iii) Age;
- 33 (iv) Tenure discounts; and
- 34 (v) Wellness activities.

35 (b) The adjustment for age in (a)(iii) of this subsection may not  
36 use age brackets smaller than five-year increments which shall begin

1 with age twenty and end with age sixty-five. Individuals under the age  
2 of twenty shall be treated as those age twenty.

3 (c) The health maintenance organization shall be permitted to  
4 develop separate rates for individuals age sixty-five or older for  
5 coverage for which medicare is the primary payer and coverage for which  
6 medicare is not the primary payer. Both rates shall be subject to the  
7 requirements of this subsection.

8 (d) Except as provided in subsection (2) of this section, the  
9 permitted rates for any age group shall be no more than four hundred  
10 twenty-five percent of the lowest rate for all age groups on January 1,  
11 1996, four hundred percent on January 1, 1997, and three hundred  
12 seventy-five percent on January 1, 2000, and thereafter.

13 (e) A discount for wellness activities shall be permitted to  
14 reflect actuarially justified differences in utilization or cost  
15 attributed to such programs.

16 (f) The rate charged for a health benefit plan offered under this  
17 section may not be adjusted more frequently than annually except that  
18 the premium may be changed to reflect:

19 (i) Changes to the family composition;

20 (ii) Changes to the health benefit plan requested by the  
21 individual; or

22 (iii) Changes in government requirements affecting the health  
23 benefit plan.

24 (g) For the purposes of this section, a health benefit plan that  
25 contains a restricted network provision shall not be considered similar  
26 coverage to a health benefit plan that does not contain such a  
27 provision, provided that the restrictions of benefits to network  
28 providers result in substantial differences in claims costs. This  
29 subsection does not restrict or enhance the portability of benefits as  
30 provided in RCW 48.43.015.

31 (h) A tenure discount for continuous enrollment in the health plan  
32 of two years or more may be offered, not to exceed ten percent.

33 (2) Adjusted community rates established under this section shall  
34 pool the medical experience of all individuals purchasing coverage,  
35 except individuals purchasing coverage under RCW 48.46.063, and shall  
36 not be required to be pooled with the medical experience of health  
37 benefit plans offered to small employers under RCW 48.46.066. Carriers  
38 may treat young adults and products developed specifically for them

1 consistent with RCW 48.43.041(3) as a single banded experience pool for  
2 purposes of establishing rates. The rates established for this age  
3 group are not subject to subsection (1)(d) of this section.

4 (3) As used in this section and RCW 48.46.066, "health benefit  
5 plan," "adjusted community rate," "small employer," and "wellness  
6 activities" mean the same as defined in RCW 48.43.005.

7 **Sec. 4.** RCW 48.20.029 and 2006 c 100 s 2 are each amended to read  
8 as follows:

9 (1) Premiums for health benefit plans for individuals who purchase  
10 the plan as a member of a purchasing pool:

11 (a) Consisting of five hundred or more individuals affiliated with  
12 a particular industry;

13 (b) To whom care management services are provided as a benefit of  
14 pool membership; and

15 (c) Which allows contributions from more than one employer to be  
16 used towards the purchase of an individual's health benefit plan;  
17 shall be calculated using the adjusted community rating method that  
18 spreads financial risk across the entire purchasing pool of which the  
19 individual is a member. All such rates shall conform to the following:

20 (i) The insurer shall develop its rates based on an adjusted  
21 community rate and may only vary the adjusted community rate for:

22 (A) Geographic area;

23 (B) Family size;

24 (C) Age;

25 (D) Tenure discounts; and

26 (E) Wellness activities.

27 (ii) The adjustment for age in (c)(i)(C) of this subsection may not  
28 use age brackets smaller than five-year increments which shall begin  
29 with age twenty and end with age sixty-five. Individuals under the age  
30 of twenty shall be treated as those age twenty.

31 (iii) The insurer shall be permitted to develop separate rates for  
32 individuals age sixty-five or older for coverage for which medicare is  
33 the primary payer, and coverage for which medicare is not the primary  
34 payer. Both rates are subject to the requirements of this subsection.

35 (iv) Except as provided in subsection (2) of this section, the  
36 permitted rates for any age group shall be no more than four hundred

1 twenty-five percent of the lowest rate for all age groups on January 1,  
2 1996, four hundred percent on January 1, 1997, and three hundred  
3 seventy-five percent on January 1, 2000, and thereafter.

4 (v) A discount for wellness activities shall be permitted to  
5 reflect actuarially justified differences in utilization or cost  
6 attributed to such programs not to exceed twenty percent.

7 (vi) The rate charged for a health benefit plan offered under this  
8 section may not be adjusted more frequently than annually except that  
9 the premium may be changed to reflect:

10 (A) Changes to the family composition;

11 (B) Changes to the health benefit plan requested by the individual;

12 or

13 (C) Changes in government requirements affecting the health benefit  
14 plan.

15 (vii) For the purposes of this section, a health benefit plan that  
16 contains a restricted network provision shall not be considered similar  
17 coverage to a health benefit plan that does not contain such a  
18 provision, provided that the restrictions of benefits to network  
19 providers result in substantial differences in claims costs. This  
20 subsection does not restrict or enhance the portability of benefits as  
21 provided in RCW 48.43.015.

22 (viii) A tenure discount for continuous enrollment in the health  
23 plan of two years or more may be offered, not to exceed ten percent.

24 (2) Adjusted community rates established under this section shall  
25 not be required to be pooled with the medical experience of health  
26 benefit plans offered to small employers under RCW 48.21.045. Carriers  
27 may treat young adults and products developed specifically for them  
28 consistent with RCW 48.43.041(3) as a single banded experience pool for  
29 purposes of establishing rates. The rates established for this age  
30 group are not subject to subsection (1)(c)(iv) of this section.

31 (3) As used in this section, "health benefit plan," "adjusted  
32 community rates," and "wellness activities" mean the same as defined in  
33 RCW 48.43.005.

34 NEW SECTION. Sec. 5. A new section is added to chapter 48.43 RCW  
35 to read as follows:

36 The office of the insurance commissioner shall make available  
37 educational and outreach materials targeted to young adults aged

1 nineteen to thirty-four, as funding becomes available. Education and  
2 outreach efforts shall focus on educating young consumers on the  
3 importance and value of health insurance, including educational  
4 materials, public service messages, and other outreach activities. The  
5 commissioner is authorized to fund these activities with grants,  
6 donations, in-kind contributions, or other funding that may be  
7 available."

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8 On page 1, line 1 of the title, after "adults;" strike the  
9 remainder of the title and insert "amending RCW 48.43.041, 48.44.022,  
10 48.46.064, and 48.20.029; and adding a new section to chapter 48.43  
11 RCW."

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