
HOUSE BILL 2450

State of Washington

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By Representatives Appleton, Campbell, Rolfes, Seaquist, McCoy, Upthegrove, Barlow, Hunt, Chase, Sells, Morrell, Hasegawa, Wood, McIntire, and Fromhold

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1 AN ACT Relating to coverage for shingles vaccines; amending RCW
2 70.47.060; adding a new section to chapter 48.21 RCW; adding a new
3 section to chapter 48.44 RCW; adding a new section to chapter 48.46
4 RCW; adding a new section to chapter 41.05 RCW; and adding a new
5 section to chapter 74.09 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.21 RCW
8 to read as follows:

9 (1) Each group disability insurance policy issued or renewed after
10 January 1, 2009, that provides coverage for hospital or medical
11 expenses shall provide coverage for a shingles vaccine for individuals
12 over age fifty, provided that the vaccine is delivered upon the
13 recommendation of the patient's physician, advanced registered nurse
14 practitioner, or physician assistant.

15 (2) This section shall not be construed to prevent the application
16 of standard policy provisions applicable to other benefits, such as
17 deductible or copayment provisions. This section does not limit the
18 authority of an insurer to negotiate rates and contract with specific

1 providers for the delivery of shingles vaccine services. This section
2 shall not apply to medicare supplemental policies or supplemental
3 contracts covering a specific disease or other limited benefits.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.44 RCW
5 to read as follows:

6 (1) Each health care service contract issued or renewed after
7 January 1, 2009, that provides coverage for hospital or medical
8 expenses shall provide coverage for a shingles vaccine for individuals
9 over age fifty, provided that the vaccine is delivered upon the
10 recommendation of the patient's physician, advanced registered nurse
11 practitioner, or physician assistant.

12 (2) This section shall not be construed to prevent the application
13 of standard policy provisions applicable to other benefits, such as
14 deductible or copayment provisions. This section does not limit the
15 authority of a contractor to negotiate rates and contract with specific
16 providers for the delivery of shingles vaccine services. This section
17 shall not apply to medicare supplemental policies or supplemental
18 contracts covering a specific disease or other limited benefits.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.46 RCW
20 to read as follows:

21 (1) Each health maintenance agreement issued or renewed after
22 January 1, 2009, that provides coverage for hospital or medical
23 expenses shall provide coverage for a shingles vaccine for individuals
24 over age fifty, provided that the vaccine is delivered upon the
25 recommendation of the patient's physician, advanced registered nurse
26 practitioner, or physician assistant.

27 (2) All services must be provided by the health maintenance
28 organization or rendered upon referral by the health maintenance
29 organization. This section shall not be construed to prevent the
30 application of standard policy provisions applicable to other benefits,
31 such as deductible or copayment provisions. This section does not
32 limit the authority of a health maintenance organization to negotiate
33 rates and contract with specific providers for the delivery of shingles
34 vaccine services. This section shall not apply to medicare
35 supplemental policies or supplemental contracts covering a specific
36 disease or other limited benefits.

1 **Sec. 4.** RCW 70.47.060 and 2007 c 259 s 36 are each amended to read
2 as follows:

3 The administrator has the following powers and duties:

4 (1) To design and from time to time revise a schedule of covered
5 basic health care services, including physician services, inpatient and
6 outpatient hospital services, prescription drugs and medications, and
7 other services that may be necessary for basic health care. The
8 schedule of covered basic health care services shall include coverage
9 of a vaccine for shingles for enrollees over fifty years of age. In
10 addition, the administrator may, to the extent that funds are
11 available, offer as basic health plan services chemical dependency
12 services, mental health services and organ transplant services;
13 however, no one service or any combination of these three services
14 shall increase the actuarial value of the basic health plan benefits by
15 more than five percent excluding inflation, as determined by the office
16 of financial management. All subsidized and nonsubsidized enrollees in
17 any participating managed health care system under the Washington basic
18 health plan shall be entitled to receive covered basic health care
19 services in return for premium payments to the plan. The schedule of
20 services shall emphasize proven preventive and primary health care and
21 shall include all services necessary for prenatal, postnatal, and well-
22 child care. However, with respect to coverage for subsidized enrollees
23 who are eligible to receive prenatal and postnatal services through the
24 medical assistance program under chapter 74.09 RCW, the administrator
25 shall not contract for such services except to the extent that such
26 services are necessary over not more than a one-month period in order
27 to maintain continuity of care after diagnosis of pregnancy by the
28 managed care provider. The schedule of services shall also include a
29 separate schedule of basic health care services for children, eighteen
30 years of age and younger, for those subsidized or nonsubsidized
31 enrollees who choose to secure basic coverage through the plan only for
32 their dependent children. In designing and revising the schedule of
33 services, the administrator shall consider the guidelines for assessing
34 health services under the mandated benefits act of 1984, RCW 48.47.030,
35 and such other factors as the administrator deems appropriate.

36 (2)(a) To design and implement a structure of periodic premiums due
37 the administrator from subsidized enrollees that is based upon gross
38 family income, giving appropriate consideration to family size and the

1 ages of all family members. The enrollment of children shall not
2 require the enrollment of their parent or parents who are eligible for
3 the plan. The structure of periodic premiums shall be applied to
4 subsidized enrollees entering the plan as individuals pursuant to
5 subsection (11) of this section and to the share of the cost of the
6 plan due from subsidized enrollees entering the plan as employees
7 pursuant to subsection (12) of this section.

8 (b) To determine the periodic premiums due the administrator from
9 subsidized enrollees under RCW 70.47.020(6)(b). Premiums due for
10 foster parents with gross family income up to two hundred percent of
11 the federal poverty level shall be set at the minimum premium amount
12 charged to enrollees with income below sixty-five percent of the
13 federal poverty level. Premiums due for foster parents with gross
14 family income between two hundred percent and three hundred percent of
15 the federal poverty level shall not exceed one hundred dollars per
16 month.

17 (c) To determine the periodic premiums due the administrator from
18 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees
19 shall be in an amount equal to the cost charged by the managed health
20 care system provider to the state for the plan plus the administrative
21 cost of providing the plan to those enrollees and the premium tax under
22 RCW 48.14.0201.

23 (d) To determine the periodic premiums due the administrator from
24 health coverage tax credit eligible enrollees. Premiums due from
25 health coverage tax credit eligible enrollees must be in an amount
26 equal to the cost charged by the managed health care system provider to
27 the state for the plan, plus the administrative cost of providing the
28 plan to those enrollees and the premium tax under RCW 48.14.0201. The
29 administrator will consider the impact of eligibility determination by
30 the appropriate federal agency designated by the Trade Act of 2002
31 (P.L. 107-210) as well as the premium collection and remittance
32 activities by the United States internal revenue service when
33 determining the administrative cost charged for health coverage tax
34 credit eligible enrollees.

35 (e) An employer or other financial sponsor may, with the prior
36 approval of the administrator, pay the premium, rate, or any other
37 amount on behalf of a subsidized or nonsubsidized enrollee, by
38 arrangement with the enrollee and through a mechanism acceptable to the

1 administrator. The administrator shall establish a mechanism for
2 receiving premium payments from the United States internal revenue
3 service for health coverage tax credit eligible enrollees.

4 (f) To develop, as an offering by every health carrier providing
5 coverage identical to the basic health plan, as configured on January
6 1, 2001, a basic health plan model plan with uniformity in enrollee
7 cost-sharing requirements.

8 (3) To evaluate, with the cooperation of participating managed
9 health care system providers, the impact on the basic health plan of
10 enrolling health coverage tax credit eligible enrollees. The
11 administrator shall issue to the appropriate committees of the
12 legislature preliminary evaluations on June 1, 2005, and January 1,
13 2006, and a final evaluation by June 1, 2006. The evaluation shall
14 address the number of persons enrolled, the duration of their
15 enrollment, their utilization of covered services relative to other
16 basic health plan enrollees, and the extent to which their enrollment
17 contributed to any change in the cost of the basic health plan.

18 (4) To end the participation of health coverage tax credit eligible
19 enrollees in the basic health plan if the federal government reduces or
20 terminates premium payments on their behalf through the United States
21 internal revenue service.

22 (5) To design and implement a structure of enrollee cost-sharing
23 due a managed health care system from subsidized, nonsubsidized, and
24 health coverage tax credit eligible enrollees. The structure shall
25 discourage inappropriate enrollee utilization of health care services,
26 and may utilize copayments, deductibles, and other cost-sharing
27 mechanisms, but shall not be so costly to enrollees as to constitute a
28 barrier to appropriate utilization of necessary health care services.

29 (6) To limit enrollment of persons who qualify for subsidies so as
30 to prevent an overexpenditure of appropriations for such purposes.
31 Whenever the administrator finds that there is danger of such an
32 overexpenditure, the administrator shall close enrollment until the
33 administrator finds the danger no longer exists. Such a closure does
34 not apply to health coverage tax credit eligible enrollees who receive
35 a premium subsidy from the United States internal revenue service as
36 long as the enrollees qualify for the health coverage tax credit
37 program.

1 (7) To limit the payment of subsidies to subsidized enrollees, as
2 defined in RCW 70.47.020. The level of subsidy provided to persons who
3 qualify may be based on the lowest cost plans, as defined by the
4 administrator.

5 (8) To adopt a schedule for the orderly development of the delivery
6 of services and availability of the plan to residents of the state,
7 subject to the limitations contained in RCW 70.47.080 or any act
8 appropriating funds for the plan.

9 (9) To solicit and accept applications from managed health care
10 systems, as defined in this chapter, for inclusion as eligible basic
11 health care providers under the plan for subsidized enrollees,
12 nonsubsidized enrollees, or health coverage tax credit eligible
13 enrollees. The administrator shall endeavor to assure that covered
14 basic health care services are available to any enrollee of the plan
15 from among a selection of two or more participating managed health care
16 systems. In adopting any rules or procedures applicable to managed
17 health care systems and in its dealings with such systems, the
18 administrator shall consider and make suitable allowance for the need
19 for health care services and the differences in local availability of
20 health care resources, along with other resources, within and among the
21 several areas of the state. Contracts with participating managed
22 health care systems shall ensure that basic health plan enrollees who
23 become eligible for medical assistance may, at their option, continue
24 to receive services from their existing providers within the managed
25 health care system if such providers have entered into provider
26 agreements with the department of social and health services.

27 (10) To receive periodic premiums from or on behalf of subsidized,
28 nonsubsidized, and health coverage tax credit eligible enrollees,
29 deposit them in the basic health plan operating account, keep records
30 of enrollee status, and authorize periodic payments to managed health
31 care systems on the basis of the number of enrollees participating in
32 the respective managed health care systems.

33 (11) To accept applications from individuals residing in areas
34 served by the plan, on behalf of themselves and their spouses and
35 dependent children, for enrollment in the Washington basic health plan
36 as subsidized, nonsubsidized, or health coverage tax credit eligible
37 enrollees, to give priority to members of the Washington national guard
38 and reserves who served in Operation Enduring Freedom, Operation Iraqi

1 Freedom, or Operation Noble Eagle, and their spouses and dependents,
2 for enrollment in the Washington basic health plan, to establish
3 appropriate minimum-enrollment periods for enrollees as may be
4 necessary, and to determine, upon application and on a reasonable
5 schedule defined by the authority, or at the request of any enrollee,
6 eligibility due to current gross family income for sliding scale
7 premiums. Funds received by a family as part of participation in the
8 adoption support program authorized under RCW 26.33.320 and 74.13.100
9 through 74.13.145 shall not be counted toward a family's current gross
10 family income for the purposes of this chapter. When an enrollee fails
11 to report income or income changes accurately, the administrator shall
12 have the authority either to bill the enrollee for the amounts overpaid
13 by the state or to impose civil penalties of up to two hundred percent
14 of the amount of subsidy overpaid due to the enrollee incorrectly
15 reporting income. The administrator shall adopt rules to define the
16 appropriate application of these sanctions and the processes to
17 implement the sanctions provided in this subsection, within available
18 resources. No subsidy may be paid with respect to any enrollee whose
19 current gross family income exceeds twice the federal poverty level or,
20 subject to RCW 70.47.110, who is a recipient of medical assistance or
21 medical care services under chapter 74.09 RCW. If a number of
22 enrollees drop their enrollment for no apparent good cause, the
23 administrator may establish appropriate rules or requirements that are
24 applicable to such individuals before they will be allowed to reenroll
25 in the plan.

26 (12) To accept applications from business owners on behalf of
27 themselves and their employees, spouses, and dependent children, as
28 subsidized or nonsubsidized enrollees, who reside in an area served by
29 the plan. The administrator may require all or the substantial
30 majority of the eligible employees of such businesses to enroll in the
31 plan and establish those procedures necessary to facilitate the orderly
32 enrollment of groups in the plan and into a managed health care system.
33 The administrator may require that a business owner pay at least an
34 amount equal to what the employee pays after the state pays its portion
35 of the subsidized premium cost of the plan on behalf of each employee
36 enrolled in the plan. Enrollment is limited to those not eligible for
37 medicare who wish to enroll in the plan and choose to obtain the basic
38 health care coverage and services from a managed care system

1 participating in the plan. The administrator shall adjust the amount
2 determined to be due on behalf of or from all such enrollees whenever
3 the amount negotiated by the administrator with the participating
4 managed health care system or systems is modified or the administrative
5 cost of providing the plan to such enrollees changes.

6 (13) To determine the rate to be paid to each participating managed
7 health care system in return for the provision of covered basic health
8 care services to enrollees in the system. Although the schedule of
9 covered basic health care services will be the same or actuarially
10 equivalent for similar enrollees, the rates negotiated with
11 participating managed health care systems may vary among the systems.
12 In negotiating rates with participating systems, the administrator
13 shall consider the characteristics of the populations served by the
14 respective systems, economic circumstances of the local area, the need
15 to conserve the resources of the basic health plan trust account, and
16 other factors the administrator finds relevant.

17 (14) To monitor the provision of covered services to enrollees by
18 participating managed health care systems in order to assure enrollee
19 access to good quality basic health care, to require periodic data
20 reports concerning the utilization of health care services rendered to
21 enrollees in order to provide adequate information for evaluation, and
22 to inspect the books and records of participating managed health care
23 systems to assure compliance with the purposes of this chapter. In
24 requiring reports from participating managed health care systems,
25 including data on services rendered enrollees, the administrator shall
26 endeavor to minimize costs, both to the managed health care systems and
27 to the plan. The administrator shall coordinate any such reporting
28 requirements with other state agencies, such as the insurance
29 commissioner and the department of health, to minimize duplication of
30 effort.

31 (15) To evaluate the effects this chapter has on private employer-
32 based health care coverage and to take appropriate measures consistent
33 with state and federal statutes that will discourage the reduction of
34 such coverage in the state.

35 (16) To develop a program of proven preventive health measures and
36 to integrate it into the plan wherever possible and consistent with
37 this chapter.

1 (17) To provide, consistent with available funding, assistance for
2 rural residents, underserved populations, and persons of color.

3 (18) In consultation with appropriate state and local government
4 agencies, to establish criteria defining eligibility for persons
5 confined or residing in government-operated institutions.

6 (19) To administer the premium discounts provided under RCW
7 48.41.200(3)(a) (i) and (ii) pursuant to a contract with the Washington
8 state health insurance pool.

9 (20) To give priority in enrollment to persons who disenrolled from
10 the program in order to enroll in medicaid, and subsequently became
11 ineligible for medicaid coverage.

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.05 RCW
13 to read as follows:

14 Each insurance benefit plan offered under RCW 41.05.055 issued or
15 renewed after January 1, 2009, that provides coverage for hospital or
16 medical expenses shall provide coverage for a shingles vaccine for
17 individuals over age fifty, provided that the vaccine is delivered upon
18 the recommendation of the patient's physician, advanced registered
19 nurse practitioner, or physician assistant.

20 NEW SECTION. **Sec. 6.** A new section is added to chapter 74.09 RCW
21 to read as follows:

22 For the purposes of this chapter, the term "medical assistance"
23 includes coverage for a shingles vaccine for individuals over age
24 fifty, provided that the vaccine is delivered upon the recommendation
25 of the patient's physician, advanced registered nurse practitioner, or
26 physician assistant.

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