

**HB 2537-S - DIGEST**

(SUBSTITUTED FOR - SEE 2ND SUB)

Declares that the health insurance partnership shall begin to offer coverage no later than March 1, 2009.

States that neither the employer nor the partnership shall limit an employee's choice of coverage from among the health benefit plans offered through the partnership, unless expressly authorized.

Establishes a mechanism to apply a surcharge to each health benefit plan purchased through the partnership, which shall be used only to pay for administrative and operational expenses of the partnership. The surcharge must be applied uniformly to all health benefit plans purchased through the partnership.

Designates health benefit plans that are currently offered in the small group market that will be offered to participating small employers through the health insurance partnership and those plans that will qualify for premium subsidy payments.

Develops policies related to partnership participant enrollment in health benefit plans. The board may focus its initial efforts on access to coverage and affordability of coverage for participating small employers and their employees.

Determines whether the partnership should be designated as the sponsor or administrator of a participating small employer health benefit plan and undertake the obligations required of a plan administrator under federal law in order to minimize administrative burdens on participating small employers.

Provides that for health benefit plans purchased through the health insurance partnership established in chapter 70.47A RCW: (1) Any surcharge established pursuant to RCW 70.47A.030 (2)(e) shall be applied only to health benefit plans purchased through the health insurance partnership; and

(2) Risk adjustment or reinsurance mechanisms may be used by the health insurance partnership program to redistribute funds to carriers participating in the health insurance partnership based on differences in risk attributable to individual choice of health plans or other factors unique to health insurance partnership participation. Use of such mechanisms shall be limited to the partnership program and will not affect small group health plans offered outside the partnership.

Declares that minimum participation requirements and employer premium contribution requirements adopted by the health insurance partnership board under RCW 70.47A.110 shall

apply only to the employers and employees who purchase health benefit plans through the health insurance partnership.