

HB 2117 - S COMM AMD

By Committee on Health & Long-Term Care

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that the
4 Washington basic health plan plays a critical and valuable role in
5 providing coverage for necessary basic health care services in an
6 appropriate setting to working persons and others who lack coverage.
7 The program has assisted hundreds of thousands of families in their
8 search for affordable health care since its establishment in 1989,
9 demonstrated that low-income, uninsured families are willing to pay for
10 their own health care coverage to the extent of their ability to pay,
11 and proven that health care providers are willing to enter into a
12 successful and productive public-private partnership to offer coverage.

13 (2) The legislature further finds that during an economic
14 recession, access to coverage through the basic health plan becomes
15 even more critical. The basic health plan serves as a safety net for
16 the people of Washington state. Persons who lose their job often also
17 lose their employer-sponsored health insurance, leaving them uninsured
18 as they search for new employment opportunities. The basic health plan
19 should help fill this gap in coverage, enabling unemployed workers to
20 maintain their health and avoid the risk of financial hardship related
21 to unpaid medical bills as they search for new employment.

22 **Sec. 2.** RCW 70.47.020 and 2007 c 259 s 35 are each amended to read
23 as follows:

24 As used in this chapter:

25 (1) "Washington basic health plan" or "plan" means the system of
26 enrollment and payment for basic health care services, administered by
27 the plan administrator through participating managed health care
28 systems, created by this chapter.

1 (2) "Administrator" means the Washington basic health plan
2 administrator, who also holds the position of administrator of the
3 Washington state health care authority.

4 (3) "Economic recovery enrollee" means an individual worker, plus
5 the individual's spouse or dependent children, who becomes
6 involuntarily unemployed on or after September 1, 2008, and is
7 receiving unemployment compensation benefits under Title 50 RCW.
8 Meeting the eligibility criteria as an economic recovery enrollee shall
9 not preclude an individual from being treated as a subsidized enrollee
10 if he or she meets the definition of subsidized enrollee under this
11 section. An economic recovery enrollee shall complete the standard
12 health questionnaire required by RCW 48.43.018 as if they were applying
13 for individual coverage. Individuals are not required to complete the
14 questionnaire if they have twenty-four months of continuous group
15 coverage and if application is made within ninety days of a qualifying
16 event that resulted in the loss of coverage.

17 (4) "Health coverage tax credit program" means the program created
18 by the Trade Act of 2002 (P.L. 107-210) that provides a federal tax
19 credit that subsidizes private health insurance coverage for displaced
20 workers certified to receive certain trade adjustment assistance
21 benefits and for individuals receiving benefits from the pension
22 benefit guaranty corporation.

23 ~~((4))~~ (5) "Health coverage tax credit eligible enrollee" means
24 individual workers and their qualified family members who lose their
25 jobs due to the effects of international trade and are eligible for
26 certain trade adjustment assistance benefits; or are eligible for
27 benefits under the alternative trade adjustment assistance program; or
28 are people who receive benefits from the pension benefit guaranty
29 corporation and are at least fifty-five years old.

30 ~~((5))~~ (6) "Managed health care system" means: (a) Any health
31 care organization, including health care providers, insurers, health
32 care service contractors, health maintenance organizations, or any
33 combination thereof, that provides directly or by contract basic health
34 care services, as defined by the administrator and rendered by duly
35 licensed providers, to a defined patient population enrolled in the
36 plan and in the managed health care system; or (b) a self-funded or
37 self-insured method of providing insurance coverage to subsidized

1 enrollees provided under RCW 41.05.140 and subject to the limitations
2 under RCW 70.47.100(7).

3 ~~((6))~~ (7) "Subsidized enrollee" means:

4 (a) An individual, or an individual plus the individual's spouse or
5 dependent children:

6 (i) Who is not eligible for medicare;

7 (ii) Who is not confined or residing in a government-operated
8 institution, unless he or she meets eligibility criteria adopted by the
9 administrator;

10 (iii) Who is not a full-time student who has received a temporary
11 visa to study in the United States;

12 (iv) Who resides in an area of the state served by a managed health
13 care system participating in the plan;

14 (v) Whose gross family income at the time of enrollment does not
15 exceed two hundred percent of the federal poverty level as adjusted for
16 family size and determined annually by the federal department of health
17 and human services; and

18 (vi) Who chooses to obtain basic health care coverage from a
19 particular managed health care system in return for periodic payments
20 to the plan;

21 (b) An individual who meets the requirements in (a)(i) through (iv)
22 and (vi) of this subsection and who is a foster parent licensed under
23 chapter 74.15 RCW and whose gross family income at the time of
24 enrollment does not exceed three hundred percent of the federal poverty
25 level as adjusted for family size and determined annually by the
26 federal department of health and human services; and

27 (c) To the extent that state funds are specifically appropriated
28 for this purpose, with a corresponding federal match, an individual, or
29 an individual's spouse or dependent children, who meets the
30 requirements in (a)(i) through (iv) and (vi) of this subsection and
31 whose gross family income at the time of enrollment is more than two
32 hundred percent, but less than two hundred fifty-one percent, of the
33 federal poverty level as adjusted for family size and determined
34 annually by the federal department of health and human services.

35 ~~((7))~~ (8) "Nonsubsidized enrollee" means an individual, or an
36 individual plus the individual's spouse or dependent children: (a) Who
37 is not eligible for medicare; (b) who is not confined or residing in a
38 government-operated institution, unless he or she meets eligibility

1 criteria adopted by the administrator; (c) who is accepted for
2 enrollment by the administrator as provided in RCW 48.43.018, either
3 because the potential enrollee cannot be required to complete the
4 standard health questionnaire under RCW 48.43.018, or, based upon the
5 results of the standard health questionnaire, the potential enrollee
6 would not qualify for coverage under the Washington state health
7 insurance pool; (d) who resides in an area of the state served by a
8 managed health care system participating in the plan; (e) who chooses
9 to obtain basic health care coverage from a particular managed health
10 care system; and (f) who pays or on whose behalf is paid the full costs
11 for participation in the plan, without any subsidy from the plan.

12 ~~((+8))~~ (9) "Subsidy" means the difference between the amount of
13 periodic payment the administrator makes to a managed health care
14 system on behalf of a subsidized enrollee plus the administrative cost
15 to the plan of providing the plan to that subsidized enrollee, and the
16 amount determined to be the subsidized enrollee's responsibility under
17 RCW 70.47.060(2).

18 ~~((+9))~~ (10) "Premium" means a periodic payment, which an
19 individual, their employer or another financial sponsor makes to the
20 plan as consideration for enrollment in the plan as a subsidized
21 enrollee, a nonsubsidized enrollee, an economic recovery enrollee, or
22 a health coverage tax credit eligible enrollee.

23 ~~((+10))~~ (11) "Rate" means the amount, negotiated by the
24 administrator with and paid to a participating managed health care
25 system, that is based upon the enrollment of subsidized, nonsubsidized,
26 economic recovery, and health coverage tax credit eligible enrollees in
27 the plan and in that system.

28 **Sec. 3.** RCW 70.47.030 and 2004 c 192 s 2 are each amended to read
29 as follows:

30 (1) The basic health plan trust account is hereby established in
31 the state treasury. Any nongeneral fund-state funds collected for this
32 program shall be deposited in the basic health plan trust account and
33 may be expended without further appropriation. Moneys in the account
34 shall be used exclusively for the purposes of this chapter, including
35 payments to participating managed health care systems on behalf of
36 enrollees in the plan and payment of costs of administering the plan.

1 During the 1995-97 fiscal biennium, the legislature may transfer
2 funds from the basic health plan trust account to the state general
3 fund.

4 (2) The basic health plan subscription account is created in the
5 custody of the state treasurer. All receipts from amounts due from or
6 on behalf of nonsubsidized enrollees, economic recovery enrollees, and
7 health coverage tax credit eligible enrollees shall be deposited into
8 the account. Funds in the account shall be used exclusively for the
9 purposes of this chapter, including payments to participating managed
10 health care systems on behalf of nonsubsidized enrollees, economic
11 recovery enrollees, and health coverage tax credit eligible enrollees
12 in the plan and payment of costs of administering the plan. The
13 account is subject to allotment procedures under chapter 43.88 RCW, but
14 no appropriation is required for expenditures.

15 (3) The administrator shall take every precaution to see that none
16 of the funds in the separate accounts created in this section or that
17 any premiums paid either by subsidized or nonsubsidized enrollees are
18 commingled in any way, except that the administrator may combine funds
19 designated for administration of the plan into a single administrative
20 account.

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

23 The administrator has the following powers and duties:

24 (1) To design and from time to time revise a schedule of covered
25 basic health care services, including physician services, inpatient and
26 outpatient hospital services, prescription drugs and medications, and
27 other services that may be necessary for basic health care. In
28 addition, the administrator may, to the extent that funds are
29 available, offer as basic health plan services chemical dependency
30 services, mental health services and organ transplant services;
31 however, no one service or any combination of these three services
32 shall increase the actuarial value of the basic health plan benefits by
33 more than five percent excluding inflation, as determined by the office
34 of financial management. All subsidized (~~and~~), nonsubsidized,
35 economic recovery, and health coverage tax credit eligible enrollees in
36 any participating managed health care system under the Washington basic
37 health plan shall be entitled to receive covered basic health care

1 services in return for premium payments to the plan. The schedule of
2 services shall emphasize proven preventive and primary health care and
3 shall include all services necessary for prenatal, postnatal, and well-
4 child care. However, with respect to coverage for subsidized enrollees
5 who are eligible to receive prenatal and postnatal services through the
6 medical assistance program under chapter 74.09 RCW, the administrator
7 shall not contract for such services except to the extent that such
8 services are necessary over not more than a one-month period in order
9 to maintain continuity of care after diagnosis of pregnancy by the
10 managed care provider. The schedule of services shall also include a
11 separate schedule of basic health care services for children, eighteen
12 years of age and younger, for those subsidized or nonsubsidized
13 enrollees who choose to secure basic coverage through the plan only for
14 their dependent children. In designing and revising the schedule of
15 services, the administrator shall consider the guidelines for assessing
16 health services under the mandated benefits act of 1984, RCW 48.47.030,
17 and such other factors as the administrator deems appropriate.

18 (2)(a) To design and implement a structure of periodic premiums due
19 the administrator from subsidized enrollees that is based upon gross
20 family income, giving appropriate consideration to family size and the
21 ages of all family members. The enrollment of children shall not
22 require the enrollment of their parent or parents who are eligible for
23 the plan. The structure of periodic premiums shall be applied to
24 subsidized enrollees entering the plan as individuals pursuant to
25 subsection (~~((+11))~~) (10) of this section and to the share of the cost
26 of the plan due from subsidized enrollees entering the plan as
27 employees pursuant to subsection (~~((+12))~~) (11) of this section.

28 (b) To determine the periodic premiums due the administrator from
29 subsidized enrollees under RCW 70.47.020(~~((+6))~~) (7)(b). Premiums due
30 for foster parents with gross family income up to two hundred percent
31 of the federal poverty level shall be set at the minimum premium amount
32 charged to enrollees with income below sixty-five percent of the
33 federal poverty level. Premiums due for foster parents with gross
34 family income between two hundred percent and three hundred percent of
35 the federal poverty level shall not exceed one hundred dollars per
36 month.

37 (c) To determine the periodic premiums due the administrator from
38 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees

1 shall be in an amount equal to the cost charged by the managed health
2 care system provider to the state for the plan plus the administrative
3 cost of providing the plan to those enrollees and the premium tax under
4 RCW 48.14.0201.

5 (d) To determine the periodic premiums due the administrator from
6 health coverage tax credit eligible enrollees. Premiums due from
7 health coverage tax credit eligible enrollees must be in an amount
8 equal to the cost charged by the managed health care system provider to
9 the state for the plan, plus the administrative cost of providing the
10 plan to those enrollees and the premium tax under RCW 48.14.0201. The
11 administrator will consider the impact of eligibility determination by
12 the appropriate federal agency designated by the Trade Act of 2002
13 (P.L. 107-210) as well as the premium collection and remittance
14 activities by the United States internal revenue service when
15 determining the administrative cost charged for health coverage tax
16 credit eligible enrollees.

17 (e) To determine periodic premiums due the administrator from
18 economic recovery enrollees. Premiums due from economic recovery
19 enrollees not treated as subsidized enrollees must be in an amount
20 equal to the cost charged by the managed health care system provider to
21 the state for the plan, plus the administrative cost of providing the
22 plan to those enrollees and the premium tax under RCW 48.14.0201. If
23 federal or private funds become available to subsidize the premiums due
24 from economic recovery enrollees, the subsidies shall be applied to
25 reduce the enrollee's premium obligation under this subsection.

26 (f) An employer or other financial sponsor may, with the prior
27 approval of the administrator, pay the premium, rate, or any other
28 amount on behalf of a subsidized or nonsubsidized enrollee, by
29 arrangement with the enrollee and through a mechanism acceptable to the
30 administrator. A financial sponsor may, with the prior approval of the
31 administrator, pay the premium, rate, or any other amount on behalf of
32 an economic recovery enrollee, by arrangement with the enrollee and
33 through a mechanism acceptable to the administrator. The administrator
34 shall establish a mechanism for receiving premium payments from the
35 United States internal revenue service for health coverage tax credit
36 eligible enrollees.

37 ~~((+f))~~ (g) To develop, as an offering by every health carrier

1 providing coverage identical to the basic health plan, as configured on
2 January 1, 2001, a basic health plan model plan with uniformity in
3 enrollee cost-sharing requirements.

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

14 ~~(4))~~ To end the participation of health coverage tax credit
15 eligible enrollees in the basic health plan if the federal government
16 reduces or terminates premium payments on their behalf through the
17 United States internal revenue service.

18 ~~((5))~~ (4) To design and implement a structure of enrollee cost-
19 sharing due a managed health care system from subsidized,
20 nonsubsidized, economic recovery, and health coverage tax credit
21 eligible enrollees. The structure shall discourage inappropriate
22 enrollee utilization of health care services, and may utilize
23 copayments, deductibles, and other cost-sharing mechanisms, but shall
24 not be so costly to enrollees as to constitute a barrier to appropriate
25 utilization of necessary health care services.

26 ~~((6))~~ (5) To limit enrollment of persons who qualify for
27 subsidies so as to prevent an overexpenditure of appropriations for
28 such purposes. Whenever the administrator finds that there is danger
29 of such an overexpenditure, the administrator shall close enrollment
30 until the administrator finds the danger no longer exists. Such a
31 closure does not apply to health coverage tax credit eligible enrollees
32 who receive a premium subsidy from the United States internal revenue
33 service as long as the enrollees qualify for the health coverage tax
34 credit program.

35 ~~((7))~~ (6) To limit the payment of subsidies to subsidized
36 enrollees, as defined in RCW 70.47.020. The level of subsidy provided
37 to persons who qualify may be based on the lowest cost plans, as
38 defined by the administrator.

1 ~~((+8+))~~ (7) To adopt a schedule for the orderly development of the
2 delivery of services and availability of the plan to residents of the
3 state, subject to the limitations contained in RCW 70.47.080 or any act
4 appropriating funds for the plan.

5 ~~((+9+))~~ (8) To solicit and accept applications from managed health
6 care systems, as defined in this chapter, for inclusion as eligible
7 basic health care providers under the plan for subsidized enrollees,
8 nonsubsidized enrollees, or health coverage tax credit eligible
9 enrollees. The administrator shall endeavor to assure that covered
10 basic health care services are available to any enrollee of the plan
11 from among a selection of two or more participating managed health care
12 systems. In adopting any rules or procedures applicable to managed
13 health care systems and in its dealings with such systems, the
14 administrator shall consider and make suitable allowance for the need
15 for health care services and the differences in local availability of
16 health care resources, along with other resources, within and among the
17 several areas of the state. Contracts with participating managed
18 health care systems shall ensure that basic health plan enrollees who
19 become eligible for medical assistance may, at their option, continue
20 to receive services from their existing providers within the managed
21 health care system if such providers have entered into provider
22 agreements with the department of social and health services.

23 ~~((+10+))~~ (9) To receive periodic premiums from or on behalf of
24 subsidized, nonsubsidized, economic recovery, and health coverage tax
25 credit eligible enrollees, deposit them in the basic health plan
26 operating account, keep records of enrollee status, and authorize
27 periodic payments to managed health care systems on the basis of the
28 number of enrollees participating in the respective managed health care
29 systems.

30 ~~((+11+))~~ (10) To accept applications from individuals residing in
31 areas served by the plan, on behalf of themselves and their spouses and
32 dependent children, for enrollment in the Washington basic health plan
33 as subsidized, nonsubsidized, economic recovery, or health coverage tax
34 credit eligible enrollees, to give priority to members of the
35 Washington national guard and reserves who served in Operation Enduring
36 Freedom, Operation Iraqi Freedom, or Operation Noble Eagle, and their
37 spouses and dependents, for enrollment in the Washington basic health
38 plan, to establish appropriate minimum-enrollment periods for enrollees

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

23 ~~((+12+))~~ (11) To accept applications from business owners on behalf
24 of themselves and their employees, spouses, and dependent children, as
25 subsidized or nonsubsidized enrollees, who reside in an area served by
26 the plan. The administrator may require all or the substantial
27 majority of the eligible employees of such businesses to enroll in the
28 plan and establish those procedures necessary to facilitate the orderly
29 enrollment of groups in the plan and into a managed health care system.
30 The administrator may require that a business owner pay at least an
31 amount equal to what the employee pays after the state pays its portion
32 of the subsidized premium cost of the plan on behalf of each employee
33 enrolled in the plan. Enrollment is limited to those not eligible for
34 medicare who wish to enroll in the plan and choose to obtain the basic
35 health care coverage and services from a managed care system
36 participating in the plan. The administrator shall adjust the amount
37 determined to be due on behalf of or from all such enrollees whenever

1 the amount negotiated by the administrator with the participating
2 managed health care system or systems is modified or the administrative
3 cost of providing the plan to such enrollees changes.

4 ~~((13))~~ (12) To determine the rate to be paid to each
5 participating managed health care system in return for the provision of
6 covered basic health care services to enrollees in the system.
7 Although the schedule of covered basic health care services will be the
8 same or actuarially equivalent for similar enrollees, the rates
9 negotiated with participating managed health care systems may vary
10 among the systems. In negotiating rates with participating systems,
11 the administrator shall consider the characteristics of the populations
12 served by the respective systems, economic circumstances of the local
13 area, the need to conserve the resources of the basic health plan trust
14 account, and other factors the administrator finds relevant.

15 ~~((14))~~ (13) To monitor the provision of covered services to
16 enrollees by participating managed health care systems in order to
17 assure enrollee access to good quality basic health care, to require
18 periodic data reports concerning the utilization of health care
19 services rendered to enrollees in order to provide adequate information
20 for evaluation, and to inspect the books and records of participating
21 managed health care systems to assure compliance with the purposes of
22 this chapter. In requiring reports from participating managed health
23 care systems, including data on services rendered enrollees, the
24 administrator shall endeavor to minimize costs, both to the managed
25 health care systems and to the plan. The administrator shall
26 coordinate any such reporting requirements with other state agencies,
27 such as the insurance commissioner and the department of health, to
28 minimize duplication of effort.

29 ~~((15))~~ (14) To evaluate the effects this chapter has on private
30 employer-based health care coverage and to take appropriate measures
31 consistent with state and federal statutes that will discourage the
32 reduction of such coverage in the state.

33 ~~((16))~~ (15) To develop a program of proven preventive health
34 measures and to integrate it into the plan wherever possible and
35 consistent with this chapter.

36 ~~((17))~~ (16) To provide, consistent with available funding,
37 assistance for rural residents, underserved populations, and persons of
38 color.

1 (~~(18)~~) (17) In consultation with appropriate state and local
2 government agencies, to establish criteria defining eligibility for
3 persons confined or residing in government-operated institutions.

4 (~~(19)~~) (18) To administer the premium discounts provided under
5 RCW 48.41.200(3)(a) (i) and (ii) pursuant to a contract with the
6 Washington state health insurance pool.

7 (~~(20)~~) (19) To give priority in enrollment to persons who
8 disenrolled from the program in order to enroll in medicaid, and
9 subsequently became ineligible for medicaid coverage.

10 **Sec. 5.** RCW 70.47.100 and 2004 c 192 s 4 are each amended to read
11 as follows:

12 (1) A managed health care system participating in the plan shall do
13 so by contract with the administrator and shall provide, directly or by
14 contract with other health care providers, covered basic health care
15 services to each enrollee covered by its contract with the
16 administrator as long as payments from the administrator on behalf of
17 the enrollee are current. A participating managed health care system
18 may offer, without additional cost, health care benefits or services
19 not included in the schedule of covered services under the plan. A
20 participating managed health care system shall not give preference in
21 enrollment to enrollees who accept such additional health care benefits
22 or services. Managed health care systems participating in the plan
23 shall not discriminate against any potential or current enrollee based
24 upon health status, sex, race, ethnicity, or religion. The
25 administrator may receive and act upon complaints from enrollees
26 regarding failure to provide covered services or efforts to obtain
27 payment, other than authorized copayments, for covered services
28 directly from enrollees, but nothing in this chapter empowers the
29 administrator to impose any sanctions under Title 18 RCW or any other
30 professional or facility licensing statute.

31 (2) The plan shall allow, at least annually, an opportunity for
32 enrollees to transfer their enrollments among participating managed
33 health care systems serving their respective areas. The administrator
34 shall establish a period of at least twenty days in a given year when
35 this opportunity is afforded enrollees, and in those areas served by
36 more than one participating managed health care system the
37 administrator shall endeavor to establish a uniform period for such

1 opportunity. The plan shall allow enrollees to transfer their
2 enrollment to another participating managed health care system at any
3 time upon a showing of good cause for the transfer.

4 (3) Prior to negotiating with any managed health care system, the
5 administrator shall determine, on an actuarially sound basis, the
6 reasonable cost of providing the schedule of basic health care
7 services, expressed in terms of upper and lower limits, and recognizing
8 variations in the cost of providing the services through the various
9 systems and in different areas of the state. In determining the
10 reasonable cost under this subsection, the administrator shall pool the
11 claims experience of subsidized, health coverage tax credit eligible,
12 and economic recovery enrollees.

13 (4) In negotiating with managed health care systems for
14 participation in the plan, the administrator shall adopt a uniform
15 procedure that includes at least the following:

16 (a) The administrator shall issue a request for proposals,
17 including standards regarding the quality of services to be provided;
18 financial integrity of the responding systems; and responsiveness to
19 the unmet health care needs of the local communities or populations
20 that may be served;

21 (b) The administrator shall then review responsive proposals and
22 may negotiate with respondents to the extent necessary to refine any
23 proposals;

24 (c) The administrator may then select one or more systems to
25 provide the covered services within a local area; and

26 (d) The administrator may adopt a policy that gives preference to
27 respondents, such as nonprofit community health clinics, that have a
28 history of providing quality health care services to low-income
29 persons.

30 (5) The administrator may contract with a managed health care
31 system to provide covered basic health care services to subsidized
32 enrollees, nonsubsidized enrollees, economic recovery enrollees, health
33 coverage tax credit eligible enrollees, or any combination thereof;
34 except that, in order to contract to provide covered basic health care
35 services to subsidized enrollees, a managed health care system also
36 must contract to provide such care to economic recovery and health
37 coverage tax credit eligible enrollees.

1 (6) The administrator may establish procedures and policies to
2 further negotiate and contract with managed health care systems
3 following completion of the request for proposal process in subsection
4 (4) of this section, upon a determination by the administrator that it
5 is necessary to provide access, as defined in the request for proposal
6 documents, to covered basic health care services for enrollees.

7 (7)(a) The administrator shall implement a self-funded or self-
8 insured method of providing insurance coverage to subsidized enrollees,
9 as provided under RCW 41.05.140, if one of the following conditions is
10 met:

11 (i) The authority determines that no managed health care system
12 other than the authority is willing and able to provide access, as
13 defined in the request for proposal documents, to covered basic health
14 care services for all subsidized enrollees in an area; or

15 (ii) The authority determines that no other managed health care
16 system is willing to provide access, as defined in the request for
17 proposal documents, for one hundred thirty-three percent of the
18 statewide benchmark price or less, and the authority is able to offer
19 such coverage at a price that is less than the lowest price at which
20 any other managed health care system is willing to provide such access
21 in an area.

22 (b) The authority shall initiate steps to provide the coverage
23 described in (a) of this subsection within ninety days of making its
24 determination that the conditions for providing a self-funded or self-
25 insured method of providing insurance have been met.

26 (c) The administrator may not implement a self-funded or self-
27 insured method of providing insurance in an area unless the
28 administrator has received a certification from a member of the
29 American academy of actuaries that the funding available in the basic
30 health plan self-insurance reserve account is sufficient for the self-
31 funded or self-insured risk assumed, or expected to be assumed, by the
32 administrator.

33 NEW SECTION. **Sec. 6.** This act takes effect January 1, 2010.

34 NEW SECTION. **Sec. 7.** If specific funding for the purposes of this
35 act, referencing this act by bill or chapter number, is not provided by

1 June 30, 2009, in the omnibus appropriations act, this act is null and
2 void."

HB 2117 - S COMM AMD

By Committee on Health & Long-Term Care

3 On page 1, line 1 of the title, after "plan;" strike the remainder
4 of the title and insert "amending RCW 70.47.020, 70.47.030, 70.47.060,
5 and 70.47.100; creating new sections; and providing an effective date."

--- END ---