
HOUSE BILL 1712

State of Washington 61st Legislature 2009 Regular Session

By Representatives Cody, Green, Morrell, Moeller, and Kenney

Read first time 01/27/09. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to association health plans; and amending RCW
2 48.21.047, 48.44.024, 48.46.068, 48.21.045, 48.44.023, and 48.46.066.

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

4 **Sec. 1.** RCW 48.21.047 and 2005 c 223 s 11 are each amended to read
5 as follows:

6 (1) An insurer may not offer any health benefit plan to any small
7 employer without complying with RCW 48.21.045(3).

8 (2) ~~((Employers purchasing health plans provided through~~
9 ~~associations or through member governed groups formed specifically for~~
10 ~~the purpose of purchasing health care are not small employers and the~~
11 ~~plans are not subject to RCW 48.21.045(3).)) Notwithstanding subsection
12 (1) of this section, health benefit plans provided by an insurer
13 through an association or member-governed group to employers or
14 individuals are not subject to RCW 48.21.045(3). For purposes of
15 regulatory and rating requirements, such health benefit plans are
16 considered large group plans in which the entire association or member-
17 governed group constitutes the group. The insurer shall base the rates
18 for the association or member-governed group on the health care claims
19 or health status of the entire association or member-governed group and~~

1 may only vary the rates for the rating factors that are generally
2 accepted in the large group rating such as age, geographic area, family
3 size, industry factor, and smoker or nonsmoker.

4 (3) For purposes of this section, "health benefit plan," "health
5 plan," and "small employer" or "small group" mean the same as defined
6 in RCW 48.43.005.

7 **Sec. 2.** RCW 48.44.024 and 2003 c 248 s 15 are each amended to read
8 as follows:

9 (1) A health care service contractor may not offer any health
10 benefit plan to any small employer without complying with RCW
11 48.44.023(3).

12 ~~((Employers purchasing health plans provided through~~
13 ~~associations or through member governed groups formed specifically for~~
14 ~~the purpose of purchasing health care are not small employers and the~~
15 ~~plans are not subject to RCW 48.44.023(3).)) Notwithstanding subsection
16 (1) of this section, health benefit plans provided by a contractor
17 through an association or member-governed group to employers or
18 individuals are not subject to RCW 48.44.023(3). For purposes of
19 regulatory and rating requirements, such health benefit plans are
20 considered large group plans in which the entire association or member-
21 governed group constitutes the group. The health care service
22 contractor shall base the rates for the association or member-governed
23 group on the health care claims or health status of the entire
24 association or member-governed group and may only vary the rates for
25 the rating factors that are generally accepted in the large group
26 rating such as age, geographic area, family size, industry factor, and
27 smoker or nonsmoker.~~

28 (3) For purposes of this section, "health benefit plan," "health
29 plan," and "small employer" or "small group" mean the same as defined
30 in RCW 48.43.005.

31 **Sec. 3.** RCW 48.46.068 and 2003 c 248 s 16 are each amended to read
32 as follows:

33 (1) A health maintenance organization may not offer any health
34 benefit plan to any small employer without complying with RCW
35 48.46.066(3).

1 (2) (~~Employers purchasing health plans provided through~~
2 ~~associations or through member-governed groups formed specifically for~~
3 ~~the purpose of purchasing health care are not small employers and are~~
4 ~~not subject to RCW 48.46.066(3).~~) Notwithstanding subsection (1) of
5 this section, health benefit plans provided by a health maintenance
6 organization through an association or member-governed group to
7 employers or individuals are not subject to RCW 48.46.066(3). For
8 purposes of regulatory and rating requirements, such health benefit
9 plans are considered large group plans in which the entire association
10 or member-governed group constitutes the group. The health maintenance
11 organization shall base the rates for the association or member-
12 governed group on the health care claims or health status of the entire
13 association or member-governed group and may only vary the rates for
14 the rating factors that are generally accepted in the large group
15 rating such as age, geographic area, family size, industry factor, and
16 smoker or nonsmoker.

17 (3) For purposes of this section, "health benefit plan," "health
18 plan," and "small employer" or "small group" mean the same as defined
19 in RCW 48.43.005.

20 **Sec. 4.** RCW 48.21.045 and 2008 c 143 s 6 are each amended to read
21 as follows:

22 (1)(a) An insurer offering any health benefit plan to a small
23 employer(~~(, either directly or through an association or member-~~
24 ~~governed group formed specifically for the purpose of purchasing health~~
25 ~~care,)) may offer and actively market to the small employer a health
26 benefit plan featuring a limited schedule of covered health care
27 services. Nothing in this subsection shall preclude an insurer from
28 offering, or a small employer from purchasing, other health benefit
29 plans that may have more comprehensive benefits than those included in
30 the product offered under this subsection. An insurer offering a
31 health benefit plan under this subsection shall clearly disclose all
32 covered benefits to the small employer in a brochure filed with the
33 commissioner.~~

34 (b) A health benefit plan offered under this subsection shall
35 provide coverage for hospital expenses and services rendered by a
36 physician licensed under chapter 18.57 or 18.71 RCW but is not subject
37 to the requirements of RCW 48.21.130, 48.21.140, 48.21.141, 48.21.142,

1 48.21.144, 48.21.146, 48.21.160 through 48.21.197, 48.21.200,
2 48.21.220, 48.21.225, 48.21.230, 48.21.235, 48.21.244, 48.21.250,
3 48.21.300, 48.21.310, or 48.21.320.

4 (2) Nothing in this section shall prohibit an insurer from
5 offering, or a purchaser from seeking, health benefit plans with
6 benefits in excess of the health benefit plan offered under subsection
7 (1) of this section. All forms, policies, and contracts shall be
8 submitted for approval to the commissioner, and the rates of any plan
9 offered under this section shall be reasonable in relation to the
10 benefits thereto.

11 (3) Premium rates for health benefit plans for small employers as
12 defined in this section shall be subject to the following provisions:

13 (a) The insurer shall develop its rates based on an adjusted
14 community rate and may only vary the adjusted community rate for:

- 15 (i) Geographic area;
- 16 (ii) Family size;
- 17 (iii) Age; and
- 18 (iv) Wellness activities.

19 (b) The adjustment for age in (a)(iii) of this subsection may not
20 use age brackets smaller than five-year increments, which shall begin
21 with age twenty and end with age sixty-five. Employees under the age
22 of twenty shall be treated as those age twenty.

23 (c) The insurer shall be permitted to develop separate rates for
24 individuals age sixty-five or older for coverage for which medicare is
25 the primary payer and coverage for which medicare is not the primary
26 payer. Both rates shall be subject to the requirements of this
27 subsection (3).

28 (d) The permitted rates for any age group shall be no more than
29 four hundred twenty-five percent of the lowest rate for all age groups
30 on January 1, 1996, four hundred percent on January 1, 1997, and three
31 hundred seventy-five percent on January 1, 2000, and thereafter.

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

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

- 38 (i) Changes to the enrollment of the small employer;

1 (ii) Changes to the family composition of the employee;
2 (iii) Changes to the health benefit plan requested by the small
3 employer; or
4 (iv) Changes in government requirements affecting the health
5 benefit plan.

6 (g) Rating factors shall produce premiums for identical groups that
7 differ only by the amounts attributable to plan design, with the
8 exception of discounts for health improvement programs.

9 (h) For the purposes of this section, a health benefit plan that
10 contains a restricted network provision shall not be considered similar
11 coverage to a health benefit plan that does not contain such a
12 provision, provided that the restrictions of benefits to network
13 providers result in substantial differences in claims costs. A carrier
14 may develop its rates based on claims costs due to network provider
15 reimbursement schedules or type of network. This subsection does not
16 restrict or enhance the portability of benefits as provided in RCW
17 48.43.015.

18 (i) Adjusted community rates established under this section shall
19 pool the medical experience of all small groups purchasing coverage,
20 including the small group participants in the health insurance
21 partnership established in RCW 70.47A.030. However, annual rate
22 adjustments for each small group health benefit plan may vary by up to
23 plus or minus four percentage points from the overall adjustment of a
24 carrier's entire small group pool, such overall adjustment to be
25 approved by the commissioner, upon a showing by the carrier, certified
26 by a member of the American academy of actuaries that: (i) The
27 variation is a result of deductible leverage, benefit design, or
28 provider network characteristics; and (ii) for a rate renewal period,
29 the projected weighted average of all small group benefit plans will
30 have a revenue neutral effect on the carrier's small group pool.
31 Variations of greater than four percentage points are subject to review
32 by the commissioner, and must be approved or denied within sixty days
33 of submittal. A variation that is not denied within sixty days shall
34 be deemed approved. The commissioner must provide to the carrier a
35 detailed actuarial justification for any denial within thirty days of
36 the denial.

37 (j) For health benefit plans purchased through the health insurance
38 partnership established in chapter 70.47A RCW:

1 (i) Any surcharge established pursuant to RCW 70.47A.030(2)(e)
2 shall be applied only to health benefit plans purchased through the
3 health insurance partnership; and

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

11 (4) Nothing in this section shall restrict the right of employees
12 to collectively bargain for insurance providing benefits in excess of
13 those provided herein.

14 (5)(a) Except as provided in this subsection, requirements used by
15 an insurer in determining whether to provide coverage to a small
16 employer shall be applied uniformly among all small employers applying
17 for coverage or receiving coverage from the carrier.

18 (b) An insurer shall not require a minimum participation level
19 greater than:

20 (i) One hundred percent of eligible employees working for groups
21 with three or less employees; and

22 (ii) Seventy-five percent of eligible employees working for groups
23 with more than three employees.

24 (c) In applying minimum participation requirements with respect to
25 a small employer, a small employer shall not consider employees or
26 dependents who have similar existing coverage in determining whether
27 the applicable percentage of participation is met.

28 (d) An insurer may not increase any requirement for minimum
29 employee participation or modify any requirement for minimum employer
30 contribution applicable to a small employer at any time after the small
31 employer has been accepted for coverage.

32 (e) Minimum participation requirements and employer premium
33 contribution requirements adopted by the health insurance partnership
34 board under RCW 70.47A.110 shall apply only to the employers and
35 employees who purchase health benefit plans through the health
36 insurance partnership.

37 (6) An insurer must offer coverage to all eligible employees of a
38 small employer and their dependents. An insurer may not offer coverage

1 to only certain individuals or dependents in a small employer group or
2 to only part of the group. An insurer may not modify a health plan
3 with respect to a small employer or any eligible employee or dependent,
4 through riders, endorsements or otherwise, to restrict or exclude
5 coverage or benefits for specific diseases, medical conditions, or
6 services otherwise covered by the plan.

7 (7) As used in this section, "health benefit plan," "small
8 employer," "adjusted community rate," and "wellness activities" mean
9 the same as defined in RCW 48.43.005.

10 **Sec. 5.** RCW 48.44.023 and 2008 c 143 s 7 are each amended to read
11 as follows:

12 (1)(a) A health care services contractor offering any health
13 benefit plan to a small employer(~~(, either directly or through an~~
14 ~~association or member governed group formed specifically for the~~
15 ~~purpose of purchasing health care,)) may offer and actively market to
16 the small employer a health benefit plan featuring a limited schedule
17 of covered health care services. Nothing in this subsection shall
18 preclude a contractor from offering, or a small employer from
19 purchasing, other health benefit plans that may have more comprehensive
20 benefits than those included in the product offered under this
21 subsection. A contractor offering a health benefit plan under this
22 subsection shall clearly disclose all covered benefits to the small
23 employer in a brochure filed with the commissioner.~~

24 (b) A health benefit plan offered under this subsection shall
25 provide coverage for hospital expenses and services rendered by a
26 physician licensed under chapter 18.57 or 18.71 RCW but is not subject
27 to the requirements of RCW 48.44.225, 48.44.240, 48.44.245, 48.44.290,
28 48.44.300, 48.44.310, 48.44.320, 48.44.325, 48.44.330, 48.44.335,
29 48.44.344, 48.44.360, 48.44.400, 48.44.440, 48.44.450, and 48.44.460.

30 (2) Nothing in this section shall prohibit a health care service
31 contractor from offering, or a purchaser from seeking, health benefit
32 plans with benefits in excess of the health benefit plan offered under
33 subsection (1) of this section. All forms, policies, and contracts
34 shall be submitted for approval to the commissioner, and the rates of
35 any plan offered under this section shall be reasonable in relation to
36 the benefits thereto.

1 (3) Premium rates for health benefit plans for small employers as
2 defined in this section shall be subject to the following provisions:

3 (a) The contractor shall develop its rates based on an adjusted
4 community rate and may only vary the adjusted community rate for:

- 5 (i) Geographic area;
- 6 (ii) Family size;
- 7 (iii) Age; and
- 8 (iv) Wellness activities.

9 (b) The adjustment for age in (a)(iii) of this subsection may not
10 use age brackets smaller than five-year increments, which shall begin
11 with age twenty and end with age sixty-five. Employees under the age
12 of twenty shall be treated as those age twenty.

13 (c) The contractor shall be permitted to develop separate rates for
14 individuals age sixty-five or older for coverage for which medicare is
15 the primary payer and coverage for which medicare is not the primary
16 payer. Both rates shall be subject to the requirements of this
17 subsection (3).

18 (d) The permitted rates for any age group shall be no more than
19 four hundred twenty-five percent of the lowest rate for all age groups
20 on January 1, 1996, four hundred percent on January 1, 1997, and three
21 hundred seventy-five percent on January 1, 2000, and thereafter.

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

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

- 28 (i) Changes to the enrollment of the small employer;
- 29 (ii) Changes to the family composition of the employee;
- 30 (iii) Changes to the health benefit plan requested by the small
31 employer; or
- 32 (iv) Changes in government requirements affecting the health
33 benefit plan.

34 (g) Rating factors shall produce premiums for identical groups that
35 differ only by the amounts attributable to plan design, with the
36 exception of discounts for health improvement programs.

37 (h) For the purposes of this section, a health benefit plan that
38 contains a restricted network provision shall not be considered similar

1 coverage to a health benefit plan that does not contain such a
2 provision, provided that the restrictions of benefits to network
3 providers result in substantial differences in claims costs. A carrier
4 may develop its rates based on claims costs due to network provider
5 reimbursement schedules or type of network. This subsection does not
6 restrict or enhance the portability of benefits as provided in RCW
7 48.43.015.

8 (i) Adjusted community rates established under this section shall
9 pool the medical experience of all groups purchasing coverage,
10 including the small group participants in the health insurance
11 partnership established in RCW 70.47A.030. However, annual rate
12 adjustments for each small group health benefit plan may vary by up to
13 plus or minus four percentage points from the overall adjustment of a
14 carrier's entire small group pool, such overall adjustment to be
15 approved by the commissioner, upon a showing by the carrier, certified
16 by a member of the American academy of actuaries that: (i) The
17 variation is a result of deductible leverage, benefit design, or
18 provider network characteristics; and (ii) for a rate renewal period,
19 the projected weighted average of all small group benefit plans will
20 have a revenue neutral effect on the carrier's small group pool.
21 Variations of greater than four percentage points are subject to review
22 by the commissioner, and must be approved or denied within sixty days
23 of submittal. A variation that is not denied within sixty days shall
24 be deemed approved. The commissioner must provide to the carrier a
25 detailed actuarial justification for any denial within thirty days of
26 the denial.

27 (j) For health benefit plans purchased through the health insurance
28 partnership established in chapter 70.47A RCW:

29 (i) Any surcharge established pursuant to RCW 70.47A.030(2)(e)
30 shall be applied only to health benefit plans purchased through the
31 health insurance partnership; and

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

1 (4) Nothing in this section shall restrict the right of employees
2 to collectively bargain for insurance providing benefits in excess of
3 those provided herein.

4 (5)(a) Except as provided in this subsection, requirements used by
5 a contractor in determining whether to provide coverage to a small
6 employer shall be applied uniformly among all small employers applying
7 for coverage or receiving coverage from the carrier.

8 (b) A contractor shall not require a minimum participation level
9 greater than:

10 (i) One hundred percent of eligible employees working for groups
11 with three or less employees; and

12 (ii) Seventy-five percent of eligible employees working for groups
13 with more than three employees.

14 (c) In applying minimum participation requirements with respect to
15 a small employer, a small employer shall not consider employees or
16 dependents who have similar existing coverage in determining whether
17 the applicable percentage of participation is met.

18 (d) A contractor may not increase any requirement for minimum
19 employee participation or modify any requirement for minimum employer
20 contribution applicable to a small employer at any time after the small
21 employer has been accepted for coverage.

22 (e) Minimum participation requirements and employer premium
23 contribution requirements adopted by the health insurance partnership
24 board under RCW 70.47A.110 shall apply only to the employers and
25 employees who purchase health benefit plans through the health
26 insurance partnership.

27 (6) A contractor must offer coverage to all eligible employees of
28 a small employer and their dependents. A contractor may not offer
29 coverage to only certain individuals or dependents in a small employer
30 group or to only part of the group. A contractor may not modify a
31 health plan with respect to a small employer or any eligible employee
32 or dependent, through riders, endorsements or otherwise, to restrict or
33 exclude coverage or benefits for specific diseases, medical conditions,
34 or services otherwise covered by the plan.

35 **Sec. 6.** RCW 48.46.066 and 2008 c 143 s 8 are each amended to read
36 as follows:

37 (1)(a) A health maintenance organization offering any health

1 benefit plan to a small employer(~~(, either directly or through an~~
2 ~~association or member governed group formed specifically for the~~
3 ~~purpose of purchasing health care,~~) may offer and actively market to
4 the small employer a health benefit plan featuring a limited schedule
5 of covered health care services. Nothing in this subsection shall
6 preclude a health maintenance organization from offering, or a small
7 employer from purchasing, other health benefit plans that may have more
8 comprehensive benefits than those included in the product offered under
9 this subsection. A health maintenance organization offering a health
10 benefit plan under this subsection shall clearly disclose all the
11 covered benefits to the small employer in a brochure filed with the
12 commissioner.

13 (b) A health benefit plan offered under this subsection shall
14 provide coverage for hospital expenses and services rendered by a
15 physician licensed under chapter 18.57 or 18.71 RCW but is not subject
16 to the requirements of RCW 48.46.275, 48.46.280, 48.46.285, 48.46.350,
17 48.46.355, 48.46.375, 48.46.440, 48.46.480, 48.46.510, 48.46.520, and
18 48.46.530.

19 (2) Nothing in this section shall prohibit a health maintenance
20 organization from offering, or a purchaser from seeking, health benefit
21 plans with benefits in excess of the health benefit plan offered under
22 subsection (1) of this section. All forms, policies, and contracts
23 shall be submitted for approval to the commissioner, and the rates of
24 any plan offered under this section shall be reasonable in relation to
25 the benefits thereto.

26 (3) Premium rates for health benefit plans for small employers as
27 defined in this section shall be subject to the following provisions:

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

- 31 (i) Geographic area;
- 32 (ii) Family size;
- 33 (iii) Age; and
- 34 (iv) 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
37 with age twenty and end with age sixty-five. Employees under the age
38 of twenty shall be treated as those age twenty.

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

6 (d) The permitted rates for any age group shall be no more than
7 four hundred twenty-five percent of the lowest rate for all age groups
8 on January 1, 1996, four hundred percent on January 1, 1997, and three
9 hundred seventy-five percent on January 1, 2000, and thereafter.

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

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

16 (i) Changes to the enrollment of the small employer;

17 (ii) Changes to the family composition of the employee;

18 (iii) Changes to the health benefit plan requested by the small
19 employer; or

20 (iv) Changes in government requirements affecting the health
21 benefit plan.

22 (g) Rating factors shall produce premiums for identical groups that
23 differ only by the amounts attributable to plan design, with the
24 exception of discounts for health improvement programs.

25 (h) For the purposes of this section, a health benefit plan that
26 contains a restricted network provision shall not be considered similar
27 coverage to a health benefit plan that does not contain such a
28 provision, provided that the restrictions of benefits to network
29 providers result in substantial differences in claims costs. A carrier
30 may develop its rates based on claims costs due to network provider
31 reimbursement schedules or type of network. This subsection does not
32 restrict or enhance the portability of benefits as provided in RCW
33 48.43.015.

34 (i) Adjusted community rates established under this section shall
35 pool the medical experience of all groups purchasing coverage,
36 including the small group participants in the health insurance
37 partnership established in RCW 70.47A.030. However, annual rate
38 adjustments for each small group health benefit plan may vary by up to

1 plus or minus four percentage points from the overall adjustment of a
2 carrier's entire small group pool, such overall adjustment to be
3 approved by the commissioner, upon a showing by the carrier, certified
4 by a member of the American academy of actuaries that: (i) The
5 variation is a result of deductible leverage, benefit design, or
6 provider network characteristics; and (ii) for a rate renewal period,
7 the projected weighted average of all small group benefit plans will
8 have a revenue neutral effect on the carrier's small group pool.
9 Variations of greater than four percentage points are subject to review
10 by the commissioner, and must be approved or denied within sixty days
11 of submittal. A variation that is not denied within sixty days shall
12 be deemed approved. The commissioner must provide to the carrier a
13 detailed actuarial justification for any denial within thirty days of
14 the denial.

15 (j) For health benefit plans purchased through the health insurance
16 partnership established in chapter 70.47A RCW:

17 (i) Any surcharge established pursuant to RCW 70.47A.030(2)(e)
18 shall be applied only to health benefit plans purchased through the
19 health insurance partnership; and

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

27 (4) Nothing in this section shall restrict the right of employees
28 to collectively bargain for insurance providing benefits in excess of
29 those provided herein.

30 (5)(a) Except as provided in this subsection, requirements used by
31 a health maintenance organization in determining whether to provide
32 coverage to a small employer shall be applied uniformly among all small
33 employers applying for coverage or receiving coverage from the carrier.

34 (b) A health maintenance organization shall not require a minimum
35 participation level greater than:

36 (i) One hundred percent of eligible employees working for groups
37 with three or less employees; and

1 (ii) Seventy-five percent of eligible employees working for groups
2 with more than three employees.

3 (c) In applying minimum participation requirements with respect to
4 a small employer, a small employer shall not consider employees or
5 dependents who have similar existing coverage in determining whether
6 the applicable percentage of participation is met.

7 (d) A health maintenance organization may not increase any
8 requirement for minimum employee participation or modify any
9 requirement for minimum employer contribution applicable to a small
10 employer at any time after the small employer has been accepted for
11 coverage.

12 (e) Minimum participation requirements and employer premium
13 contribution requirements adopted by the health insurance partnership
14 board under RCW 70.47A.110 shall apply only to the employers and
15 employees who purchase health benefit plans through the health
16 insurance partnership.

17 (6) A health maintenance organization must offer coverage to all
18 eligible employees of a small employer and their dependents. A health
19 maintenance organization may not offer coverage to only certain
20 individuals or dependents in a small employer group or to only part of
21 the group. A health maintenance organization may not modify a health
22 plan with respect to a small employer or any eligible employee or
23 dependent, through riders, endorsements or otherwise, to restrict or
24 exclude coverage or benefits for specific diseases, medical conditions,
25 or services otherwise covered by the plan.

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