
SUBSTITUTE HOUSE BILL 2052

State of Washington

61st Legislature

2009 Regular Session

By House Ways & Means (originally sponsored by Representative Cody; by request of Health Care Authority)

READ FIRST TIME 03/03/09.

1 AN ACT Relating to delaying implementation of the health insurance
2 partnership; amending RCW 70.47A.030, 70.47A.040, and 70.47A.070; and
3 repealing 2007 c 260 s 11 (uncodified).

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

5 **Sec. 1.** RCW 70.47A.030 and 2008 c 143 s 2 are each amended to read
6 as follows:

7 (1) To the extent funding is appropriated in the operating budget
8 for this purpose, the health insurance partnership is established. The
9 administrator shall be responsible for the implementation and operation
10 of the health insurance partnership, directly or by contract. The
11 administrator shall offer premium subsidies to eligible partnership
12 participants under RCW 70.47A.040. (~~The partnership shall begin to~~
13 ~~offer coverage no later than March 1, 2009.~~)

14 (2) Consistent with policies adopted by the board under RCW
15 70.47A.110, the administrator shall, directly or by contract:

16 (a) Establish and administer procedures for enrolling small
17 employers in the partnership, including publicizing the existence of
18 the partnership and disseminating information on enrollment, and
19 establishing rules related to minimum participation of employees in

1 small groups purchasing health insurance through the partnership.
2 Opportunities to publicize the program for outreach and education of
3 small employers on the value of insurance shall explore the use of
4 online employer guides. As a condition of participating in the
5 partnership, a small employer must agree to establish a cafeteria plan
6 under section 125 of the federal internal revenue code that will enable
7 employees to use pretax dollars to pay their share of their health
8 benefit plan premium. The partnership shall provide technical
9 assistance to small employers for this purpose;

10 (b) Establish and administer procedures for health benefit plan
11 enrollment by employees of small employers during open enrollment
12 periods and outside of open enrollment periods upon the occurrence of
13 any qualifying event specified in the federal health insurance
14 portability and accountability act of 1996 or applicable state law.
15 Except to the extent authorized in RCW 70.47A.110(1)(e), neither the
16 employer nor the partnership shall limit an employee's choice of
17 coverage from among the health benefit plans offered through the
18 partnership;

19 (c) Establish and manage a system of collecting and transmitting to
20 the applicable carriers all premium payments or contributions made by
21 or on behalf of partnership participants, including employer
22 contributions, automatic payroll deductions for partnership
23 participants, premium subsidy payments, and contributions from
24 philanthropies;

25 (d) Establish and manage a system for determining eligibility for
26 and making premium subsidy payments under chapter 259, Laws of 2007;

27 (e) Establish a mechanism to apply a surcharge to each health
28 benefit plan purchased through the partnership, which shall be used
29 only to pay for administrative and operational expenses of the
30 partnership. The surcharge must be applied uniformly to all health
31 benefit plans purchased through the partnership. Any surcharge amount
32 may be added to the premium, but shall not be considered part of the
33 small group community rate, and shall be applied only to the coverage
34 purchased through the partnership. Surcharges may not be used to pay
35 any premium assistance payments under this chapter. The surcharge
36 shall reflect administrative and operational expenses remaining after
37 any appropriation provided by the legislature to support administrative

1 or operational expenses of the partnership during the year the
2 surcharge is assessed;

3 (f) Design a schedule of premium subsidies that is based upon gross
4 family income, giving appropriate consideration to family size and the
5 ages of all family members based on a benchmark health benefit plan
6 designated by the board. The amount of an eligible partnership
7 participant's premium subsidy shall be determined by applying a sliding
8 scale subsidy schedule with the percentage of premium similar to that
9 developed for subsidized basic health plan enrollees under RCW
10 70.47.060. The subsidy shall be applied to the employee's premium
11 obligation for his or her health benefit plan, so that employees
12 benefit financially from any employer contribution to the cost of their
13 coverage through the partnership.

14 (3) The administrator may enter into interdepartmental agreements
15 with the office of the insurance commissioner, the department of social
16 and health services, and any other state agencies necessary to
17 implement this chapter.

18 **Sec. 2.** RCW 70.47A.040 and 2008 c 143 s 3 are each amended to read
19 as follows:

20 Beginning January 1, ((2009)) 2011, subject to sufficient state or
21 federal funding being provided specifically for this purpose, the
22 administrator shall accept applications from eligible partnership
23 participants, on behalf of themselves, their spouses, and their
24 dependent children, to receive premium subsidies through the health
25 insurance partnership. Every effort shall be made to coordinate
26 premium subsidies for dependent children with federal funding available
27 under Title XIX and Title XXI of the federal social security act,
28 consistent with the requirements established in RCW 74.09.470(4) for
29 the employer-sponsored insurance program at the department of social
30 and health services.

31 **Sec. 3.** RCW 70.47A.070 and 2008 c 143 s 4 are each amended to read
32 as follows:

33 Upon implementation of the health insurance partnership program,
34 the administrator shall report biennially((, beginning November 1,
35 2010,)) to the relevant policy and fiscal committees of the legislature
36 on the effectiveness and efficiency of the health insurance partnership

1 program, including enrollment trends, the services and benefits covered
2 under the purchased health benefit plans, consumer satisfaction, and
3 other program operational issues.

4 NEW SECTION. **Sec. 4.** 2007 c 260 s 11 (uncodified) is repealed.

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