

SB 6412 - H COMM AMD

By Committee on Health Care & Wellness

ADOPTED AND ENGROSSED 2/27/12

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

3 "Sec. 1. RCW 48.43.018 and 2010 c 277 s 1 are each amended to read
4 as follows:

5 (1) Except as provided in (a) through (g) of this subsection, a
6 health carrier may require any person applying for an individual health
7 benefit plan and the health care authority shall require any person
8 applying for nonsubsidized enrollment in the basic health plan to
9 complete the standard health questionnaire designated under chapter
10 48.41 RCW.

11 (a) If a person is seeking an individual health benefit plan or
12 enrollment in the basic health plan as a nonsubsidized enrollee due to
13 his or her change of residence from one geographic area in Washington
14 state to another geographic area in Washington state where his or her
15 current health plan is not offered, completion of the standard health
16 questionnaire shall not be a condition of coverage if application for
17 coverage is made within ninety days of relocation.

18 (b) If a person is seeking an individual health benefit plan or
19 enrollment in the basic health plan as a nonsubsidized enrollee:

20 (i) Because a health care provider with whom he or she has an
21 established care relationship and from whom he or she has received
22 treatment within the past twelve months is no longer part of the
23 carrier's provider network under his or her existing Washington
24 individual health benefit plan; and

25 (ii) His or her health care provider is part of another carrier's
26 or a basic health plan managed care system's provider network; and

27 (iii) Application for a health benefit plan under that carrier's
28 provider network individual coverage or for basic health plan
29 nonsubsidized enrollment is made within ninety days of his or her

1 provider leaving the previous carrier's provider network; then
2 completion of the standard health questionnaire shall not be a
3 condition of coverage.

4 (c) If a person is seeking an individual health benefit plan or
5 enrollment in the basic health plan as a nonsubsidized enrollee due to
6 his or her having exhausted continuation coverage provided under 29
7 U.S.C. Sec. 1161 et seq., completion of the standard health
8 questionnaire shall not be a condition of coverage if application for
9 coverage is made within ninety days of exhaustion of continuation
10 coverage. A health carrier or the health care authority as
11 administrator of basic health plan nonsubsidized coverage shall accept
12 an application without a standard health questionnaire from a person
13 currently covered by such continuation coverage if application is made
14 within ninety days prior to the date the continuation coverage would be
15 exhausted and the effective date of the individual coverage applied for
16 is the date the continuation coverage would be exhausted, or within
17 ninety days thereafter.

18 (d) If a person is seeking an individual health benefit plan or
19 enrollment in the basic health plan as a nonsubsidized enrollee due to
20 a change in employment status that would qualify him or her to purchase
21 continuation coverage provided under 29 U.S.C. Sec. 1161 et seq., but
22 the person's employer is exempt under federal law from the requirement
23 to offer such coverage, completion of the standard health questionnaire
24 shall not be a condition of coverage if: (i) Application for coverage
25 is made within ninety days of a qualifying event as defined in 29
26 U.S.C. Sec. 1163; and (ii) the person had at least twenty-four months
27 of continuous group coverage immediately prior to the qualifying event.
28 A health carrier shall accept an application without a standard health
29 questionnaire from a person with at least twenty-four months of
30 continuous group coverage if application is made no more than ninety
31 days prior to the date of a qualifying event and the effective date of
32 the individual coverage applied for is the date of the qualifying
33 event, or within ninety days thereafter.

34 (e) If a person is seeking an individual health benefit plan,
35 completion of the standard health questionnaire shall not be a
36 condition of coverage if: (i) The person had at least twenty-four
37 months of continuous basic health plan coverage under chapter 70.47 RCW
38 immediately prior to disenrollment; and (ii) application for coverage

1 is made within ninety days of disenrollment from the basic health plan.
2 A health carrier shall accept an application without a standard health
3 questionnaire from a person with at least twenty-four months of
4 continuous basic health plan coverage if application is made no more
5 than ninety days prior to the date of disenrollment and the effective
6 date of the individual coverage applied for is the date of
7 disenrollment, or within ninety days thereafter.

8 (f) If a person is seeking an individual health benefit plan due to
9 a change in employment status that would qualify him or her to purchase
10 continuation coverage provided under 29 U.S.C. Sec. 1161 et seq.,
11 completion of the standard health questionnaire is not a condition of
12 coverage if: (i) Application for coverage is made within ninety days
13 of a qualifying event as defined in 29 U.S.C. Sec. 1163; and (ii) the
14 person had at least twenty-four months of continuous group coverage
15 immediately prior to the qualifying event. A health carrier shall
16 accept an application without a standard health questionnaire from a
17 person with at least twenty-four months of continuous group coverage if
18 application is made no more than ninety days prior to the date of a
19 qualifying event and the effective date of the individual coverage
20 applied for is the date of the qualifying event, or within ninety days
21 thereafter.

22 (g) If a person is seeking an individual health benefit plan due to
23 their terminating continuation coverage under 29 U.S.C. Sec. 1161 et
24 seq., completion of the standard health questionnaire shall not be a
25 condition of coverage if: (i) Application for coverage is made within
26 ninety days of terminating the continuation coverage; and (ii) the
27 person had at least twenty-four months of continuous group coverage
28 immediately prior to the termination. A health carrier shall accept an
29 application without a standard health questionnaire from a person with
30 at least twenty-four months of continuous group coverage if application
31 is made no more than ninety days prior to the date of termination of
32 the continuation coverage and the effective date of the individual
33 coverage applied for is the date the continuation coverage is
34 terminated, or within ninety days thereafter.

35 (h) If a person is seeking an individual health benefit plan
36 because his or her employer, or former employer, discontinues group
37 coverage due to the closure of the business, completion of the standard
38 health questionnaire shall not be a condition of coverage if: (i)

1 Application for coverage is made within ninety days of the employer
2 discontinuing group coverage due to closure of the business; and (ii)
3 the person had at least twenty-four months of continuous group coverage
4 immediately prior to the termination. A health carrier shall accept an
5 application without a standard health questionnaire from a person with
6 at least twenty-four months of continuous group coverage if application
7 is made no more than ninety days prior to the date of discontinuation
8 of group coverage, and the effective date of the individual coverage
9 applied for is the date the group coverage is discontinued, or within
10 ninety days thereafter.

11 (i) If a person is seeking an individual health benefit plan, or
12 enrollment in the basic health plan as a nonsubsidized enrollee,
13 because his or her health carrier is discontinuing all individual
14 health benefit plan coverage by July 1, 2012, completion of the
15 standard health questionnaire shall not be a condition of coverage if:
16 (i) Application for coverage is made within ninety days of the carrier
17 discontinuing individual health benefit plan coverage; (ii) the person
18 had at least twenty-four months of continuous health benefit plan
19 coverage immediately prior to the termination; and (iii) benefits under
20 the previous plan provide equivalent or greater overall benefit
21 coverage than that provided in the health benefit plan, or basic health
22 coverage, the person seeks to purchase. A health carrier, or the basic
23 health plan, shall accept an application without a standard health
24 questionnaire from a person with at least twenty-four months of
25 continuous health benefit plan coverage if application is made no more
26 than ninety days prior to the date of discontinuation of individual
27 health benefit plan coverage, the person's prior coverage provided
28 equivalent or greater overall benefits than the plan, or basic health
29 coverage, the person seeks to purchase, and the effective date of the
30 individual coverage applied for is the date the individual health
31 benefit plan coverage is discontinued, or within ninety days
32 thereafter.

33 (2) If, based upon the results of the standard health
34 questionnaire, the person qualifies for coverage under the Washington
35 state health insurance pool, the following shall apply:

36 (a) The carrier may decide not to accept the person's application
37 for enrollment in its individual health benefit plan and the health

1 care authority, as administrator of basic health plan nonsubsidized
2 coverage, shall not accept the person's application for enrollment as
3 a nonsubsidized enrollee; and

4 (b) Within fifteen business days of receipt of a completed
5 application, the carrier or the health care authority as administrator
6 of basic health plan nonsubsidized coverage shall provide written
7 notice of the decision not to accept the person's application for
8 enrollment to both the person and the administrator of the Washington
9 state health insurance pool. The notice to the person shall state that
10 the person is eligible for health insurance provided by the Washington
11 state health insurance pool, and shall include information about the
12 Washington state health insurance pool and an application for such
13 coverage. If the carrier or the health care authority as administrator
14 of basic health plan nonsubsidized coverage does not provide or
15 postmark such notice within fifteen business days, the application is
16 deemed approved.

17 (3) If the person applying for an individual health benefit plan:
18 (a) Does not qualify for coverage under the Washington state health
19 insurance pool based upon the results of the standard health
20 questionnaire; (b) does qualify for coverage under the Washington state
21 health insurance pool based upon the results of the standard health
22 questionnaire and the carrier elects to accept the person for
23 enrollment; or (c) is not required to complete the standard health
24 questionnaire designated under this chapter under subsection (1)(a) or
25 (b) of this section, the carrier or the health care authority as
26 administrator of basic health plan nonsubsidized coverage, whichever
27 entity administered the standard health questionnaire, shall accept the
28 person for enrollment if he or she resides within the carrier's or the
29 basic health plan's service area and provide or assure the provision of
30 all covered services regardless of age, sex, family structure,
31 ethnicity, race, health condition, geographic location, employment
32 status, socioeconomic status, other condition or situation, or the
33 provisions of RCW 49.60.174(2). The commissioner may grant a temporary
34 exemption from this subsection if, upon application by a health
35 carrier, the commissioner finds that the clinical, financial, or
36 administrative capacity to serve existing enrollees will be impaired if
37 a health carrier is required to continue enrollment of additional
38 eligible individuals.

1 **Sec. 2.** RCW 48.43.015 and 2004 c 192 s 5 are each amended to read
2 as follows:

3 (1) For a health benefit plan offered to a group, every health
4 carrier shall reduce any preexisting condition exclusion, limitation,
5 or waiting period in the group health plan in accordance with the
6 provisions of section 2701 of the federal health insurance portability
7 and accountability act of 1996 (42 U.S.C. Sec. 300gg).

8 (2) For a health benefit plan offered to a group other than a small
9 group:

10 (a) If the individual applicant's immediately preceding health plan
11 coverage terminated during the period beginning ninety days and ending
12 sixty-four days before the date of application for the new plan and
13 such coverage was similar and continuous for at least three months,
14 then the carrier shall not impose a waiting period for coverage of
15 preexisting conditions under the new health plan.

16 (b) If the individual applicant's immediately preceding health plan
17 coverage terminated during the period beginning ninety days and ending
18 sixty-four days before the date of application for the new plan and
19 such coverage was similar and continuous for less than three months,
20 then the carrier shall credit the time covered under the immediately
21 preceding health plan toward any preexisting condition waiting period
22 under the new health plan.

23 (c) For the purposes of this subsection, a preceding health plan
24 includes an employer-provided self-funded health plan, the basic health
25 plan's offering to health coverage tax credit eligible enrollees as
26 established by chapter 192, Laws of 2004, and plans of the Washington
27 state health insurance pool.

28 (3) For a health benefit plan offered to a small group:

29 (a) If the individual applicant's immediately preceding health plan
30 coverage terminated during the period beginning ninety days and ending
31 sixty-four days before the date of application for the new plan and
32 such coverage was similar and continuous for at least nine months, then
33 the carrier shall not impose a waiting period for coverage of
34 preexisting conditions under the new health plan.

35 (b) If the individual applicant's immediately preceding health plan
36 coverage terminated during the period beginning ninety days and ending
37 sixty-four days before the date of application for the new plan and
38 such coverage was similar and continuous for less than nine months,

1 then the carrier shall credit the time covered under the immediately
2 preceding health plan toward any preexisting condition waiting period
3 under the new health plan.

4 (c) For the purpose of this subsection, a preceding health plan
5 includes an employer-provided self-funded health plan, the basic health
6 plan's offering to health coverage tax credit eligible enrollees as
7 established by chapter 192, Laws of 2004, and plans of the Washington
8 state health insurance pool.

9 (4)(a) Except as provided in (b) of this subsection, for a health
10 benefit plan offered to an individual, other than an individual to whom
11 subsection (5) of this section applies, every health carrier shall
12 credit any preexisting condition waiting period in that plan for a
13 person who was enrolled at any time during the sixty-three day period
14 immediately preceding the date of application for the new health plan
15 in a group health benefit plan or an individual health benefit plan,
16 other than a catastrophic health plan, and ~~((a))~~ (i) the benefits
17 under the previous plan provide equivalent or greater overall benefit
18 coverage than that provided in the health benefit plan the individual
19 seeks to purchase; or ~~((b))~~ (ii) the person is seeking an individual
20 health benefit plan due to his or her change of residence from one
21 geographic area in Washington state to another geographic area in
22 Washington state where his or her current health plan is not offered,
23 if application for coverage is made within ninety days of relocation;
24 or ~~((c))~~ (iii) the person is seeking an individual health benefit
25 plan: ~~((i))~~ (A) Because a health care provider with whom he or she
26 has an established care relationship and from whom he or she has
27 received treatment within the past twelve months is no longer part of
28 the carrier's provider network under his or her existing Washington
29 individual health benefit plan; and ~~((ii))~~ (B) his or her health care
30 provider is part of another carrier's provider network; and ~~((iii))~~
31 (C) application for a health benefit plan under that carrier's provider
32 network individual coverage is made within ninety days of his or her
33 provider leaving the previous carrier's provider network. The carrier
34 must credit the period of coverage the person was continuously covered
35 under the immediately preceding health plan toward the waiting period
36 of the new health plan. For the purposes of this subsection (4), a
37 preceding health plan includes an employer-provided self-funded health

1 plan, the basic health plan's offering to health coverage tax credit
2 eligible enrollees as established by chapter 192, Laws of 2004, and
3 plans of the Washington state health insurance pool.

4 (b) A carrier shall credit an applicant's period of coverage in his
5 or her preceding catastrophic health plan toward any preexisting
6 condition waiting period in the catastrophic health plan the applicant
7 seeks to purchase if:

8 (i) The preceding catastrophic health plan was discontinued by a
9 carrier that is discontinuing all individual plan coverage by July 1,
10 2012;

11 (ii) The applicant was enrolled in the previous catastrophic health
12 plan during the sixty-three day period immediately preceding his or her
13 application date for the new catastrophic health plan; and

14 (iii) The benefits under the preceding catastrophic health plan
15 provide equivalent or greater overall benefit coverage than that
16 provided in the catastrophic health plan the applicant seeks to
17 purchase.

18 (5) Every health carrier shall waive any preexisting condition
19 waiting period in its individual plans for a person who is an eligible
20 individual as defined in section 2741(b) of the federal health
21 insurance portability and accountability act of 1996 (42 U.S.C. Sec.
22 300gg-41(b)).

23 (6) Subject to the provisions of subsections (1) through (5) of
24 this section, nothing contained in this section requires a health
25 carrier to amend a health plan to provide new benefits in its existing
26 health plans. In addition, nothing in this section requires a carrier
27 to waive benefit limitations not related to an individual or group's
28 preexisting conditions or health history.

29 NEW SECTION. Sec. 3. A new section is added to chapter 70.47 RCW
30 to read as follows:

31 If a person was previously enrolled in a group health benefit plan,
32 an individual health benefit plan, or a catastrophic health plan that
33 is discontinued by the carrier by July 1, 2012, at any time during the
34 sixty-three day period immediately preceding their application date for
35 nonsubsidized coverage in the basic health plan as a nonsubsidized
36 enrollee, the basic health plan must credit the applicant's period of
37 prior coverage toward any preexisting condition waiting period

1 applicable under the basic health plan if the benefits under the
2 previous plan provide equivalent or greater overall benefit coverage
3 than that provided in the basic health plan for nonsubsidized
4 enrollees.

5 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 immediately."

9 Correct the title.

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