
HOUSE BILL 1839

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Hinkle, Cody, and Schmick

1 AN ACT Relating to ensuring the viability of the individual market
2 in light of federal health care reform; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) The passage of federal health care reform will have a
6 destabilizing effect on the individual health benefits market.
7 Guaranteed issue, elimination of preexisting condition exclusions, low
8 penalties for failure to comply with the individual mandate, and the
9 closure of high-risk pools will result in higher premiums to
10 individuals caused by adverse selection in the market. These higher
11 premiums will make health benefits coverage prohibitively expensive
12 both inside and outside the health benefits exchanges established
13 pursuant to federal law, notwithstanding federal premium subsidies, and
14 will lead to carriers being forced to cease providing coverage to
15 individuals in this state.

16 (b) The state of Washington has a great deal of experience in
17 providing coverage for high-risk individuals, while also providing
18 needed stability in the individual market, through its separate high-
19 risk pool, the Washington state health insurance pool.

1 (2) It is therefore the intent of the legislature to ensure
2 stability and reasonable costs in the individual market both inside and
3 outside the health benefits exchanges established pursuant to federal
4 law, while also providing comparable coverage for high-risk individuals
5 by:

6 (a) Preserving the ability of health carriers to require certain
7 high-risk individuals to purchase health benefits coverage through the
8 Washington state health insurance pool; and

9 (b) Preserving the ability of health carriers and the Washington
10 state health insurance pool to impose benefit waiting periods for
11 preexisting conditions.

12 NEW SECTION. **Sec. 2.** (1) No later than January 1, 2012, the
13 insurance commissioner shall submit a waiver request to the center for
14 medicaid and medicare services. The waiver request shall preserve the
15 state of Washington's ability to provide health benefits coverage to
16 high-risk individuals through the Washington state health insurance
17 pool after individuals are able to purchase individual health benefit
18 plans through health benefit exchanges established pursuant the federal
19 patient protection and affordable care act and the health care and
20 education reconciliation act of 2010.

21 (2) The waiver request must contain the following elements:

22 (a) The state of Washington shall continue to operate the
23 Washington state health insurance pool;

24 (b) A health carrier shall continue to have the authority to
25 require any person applying for an individual health benefit plan to
26 complete the standard health questionnaire, regardless of whether the
27 health carrier offers coverage through the health benefits exchange or
28 through the market outside of the exchange;

29 (c) The health carrier shall continue to have the authority to
30 decide not to accept a person's application for enrollment in its
31 individual health benefit plan if, based upon the results of the
32 standard health questionnaire, the person qualifies for coverage under
33 the Washington state health insurance pool;

34 (d) Individuals enrolled in the Washington state health insurance
35 pool shall receive the same federal premium subsidies they would have
36 been eligible to receive in the health benefits exchange, if any; and

1 (e) Both the health carrier offering health benefits coverage to
2 individuals and the Washington state health insurance pool may continue
3 to impose benefit waiting periods for preexisting health conditions as
4 authorized under Title 48 RCW on the effective date of this section.

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