**1967-S AMS HLTH S2895.1 - NOT FOR FLOOR USE**

**SHB 1967** - S COMM AMD

By Committee on Health Care

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec.**  (1) The legislature finds that the affordable care act encourages states to develop innovative approaches to covering their residents by authorizing states to apply for waivers from the requirements of federal law. States that are granted innovation waivers may receive federal assistance to operate their reform programs in an amount that is equivalent to the aggregate amount of tax credits and cost-sharing subsidies that the federal government would have paid for individuals enrolled in state health insurance exchanges.

(2) The legislature therefore intends to direct the health care authority to apply for a waiver to permit the state to innovatively expand health care coverage and reduce health care costs.

NEW SECTION. **Sec.**  (1)(a) By January 1, 2016, the health benefit exchange in coordination with the health care authority shall apply to the federal government for a waiver to permit employers in this state to integrate certain employer health care arrangements with individual market policies. For purposes of this section, such employer health care arrangements must be an account-based plan that:

(i) Requires transfer of employer and employee contributions to an account owned or controlled by the employee with such account being portable from employer to employer;

(ii) Ensures such accounts are maintained or operated in a way that account funds are used to pay only qualified medical expenses under section 213(d) of the internal revenue code, to the extent account funds are tax deductible pursuant to federal law;

(iii) Any tax deductible funds in such account may not be used to pay any share of the premium for a policy purchased through a health benefit exchange for which a refundable credit is paid pursuant to the affordable care act;

(iv) All employees and employee family members not subject to the employer mandate included in the affordable care act are eligible to make tax deductible contributions and receive employer contributions to the account, including all part-time and seasonal employees, or employees whose employer does not offer their employees group health plan coverage;

(v) Such account may be combined with other accounts established on behalf of a family to make premium payments and other health care expenditures;

(vi) Such account is structured to receive funds electronically, including funds from multiple employers on behalf of an individual or family and to aggregate funds for paying premiums and other health care expenses;

(vii) The electronic payment process includes an audit trail to track and verify premium payments and is reconciled no less frequently than monthly to ensure that funds received from employers and employees are properly credited to accounts; and

(viii) Payments made from such accounts shall be considered second party payments consistent with requirements established in Engrossed House Bill No. 1890 (chapter . . ., Laws of 2015).

(b) In preparing the application, the health benefit exchange and the health care authority shall provide a process for public notice and comment.

(2) Upon receipt of the waiver, the health benefit exchange and the health care authority shall promptly notify in writing the governor and the appropriate committees of the legislature.

(3) The health benefit exchange and the health care authority shall provide status reports to the joint select committee on health care oversight, as requested by the committee.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2015, in the omnibus appropriations act, this act is null and void."

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On page 1, line 2 of the title, after "waivers;" strike the remainder of the title and insert "and creating new sections."

EFFECT: Removes the reference to 1115 waivers in the intent section.

Inserts the Health Benefit Exchange in the development of the waiver in coordination with the Health Care Authority.

Removes the reference to the 1115 waiver on Medicaid.

Inserts a more detailed description of the employer health care arrangements.