
ENGROSSED HOUSE BILL 1890

State of Washington

64th Legislature

2015 Regular Session

By Representatives Schmick and Cody

Read first time 02/02/15. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to a second-party payment process for paying
2 insurers; adding a new section to chapter 48.43 RCW; and creating a
3 new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that under
6 regulations implementing the federal patient protection and
7 affordable care act, issuers offering individual market qualified
8 health plans are required to accept third-party premium and cost-
9 sharing payments from the Ryan White HIV/AIDS program under Title
10 XXVI of the public health service act, Indian tribes, tribal
11 organizations or urban Indian organizations, and state and federal
12 government programs. However, federal regulators have stated that
13 they have serious concerns about payments made on a third-party basis
14 by hospitals, health care providers, and other commercial entities
15 using their own funds because of the potential that such payments
16 could cause distortions in the insurance market.

17 (2) The legislature intends to clarify that an entity that makes
18 premium payments from accounts that are owned and controlled by the
19 covered person do not constitute a third party for the purposes of
20 acceptance of premium payments by an issuer. The legislature does not
21 intend to impact third-party payment programs required under federal

1 law, including, but not limited to, federal guidance implementing the
2 federal patient protection and affordable care act.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.43
4 RCW to read as follows:

5 (1) For the purposes of this section, "second-party payment
6 process" means a process in which: (a) An individual has an account
7 under his or her name maintained with a financial institution and is
8 either managed by the financial institution or an entity that, with
9 the express agreement with the individual, has established the
10 account on behalf of the individual with a financial institution; (b)
11 the account is funded with funds from the individual or his or her
12 family members or in a manner otherwise consistent with federal law
13 including, but not limited to, federal guidance implementing the
14 federal patient protection and affordable care act; and (c) the
15 account is under the control of the covered person, such that the
16 covered person may authorize payments from the account.

17 (2) All issuers must accept any payments made by a second-party
18 payment process; however, no issuer need accept payment by a second-
19 party payment process if the second-party payer is controlled by or
20 receives funding from any entity where such entity may be reimbursed
21 by an issuer for providing health care services or if the account
22 under the control of the covered person is funded by any such entity,
23 except those third-party entities from whom federal law requires such
24 issuer to accept payment.

25 (3) Payments made under subsection (2) of this section may be
26 made with any legal tender denominated in United States dollars.

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