

2SHB 1523 - H AMD 143

By Representative Schmick

NOT ADOPTED 03/08/2019

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

3

4 "NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43
5 RCW to read as follows:

6 (1) The commissioner shall establish up to three standardized
7 health plans for each of the bronze, silver, and gold levels.

8 (2) The standardized health plans must be designed to reduce
9 deductibles, make more services available before the deductible,
10 provide predictable cost sharing, maximize subsidies, limit adverse
11 premium impacts, reduce barriers to maintaining and improving
12 health, and encourage choice based on value, while limiting
13 increases in health plan premium rates.

14 (3) The silver standardized health plan must have an actuarial
15 value between sixty-eight and seventy percent.

16 (4) The commissioner may update the standardized health plans
17 annually.

18 (5) The commissioner must provide a notice and public comment
19 period before finalizing each year's standardized health plans.

20 (6) The commissioner must provide written notice of the
21 standardized health plans to licensed health carriers by January
22 31st before the year in which the health plans are to be offered on
23 the exchange.

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25 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.71
26 RCW to read as follows:

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1 (1) Beginning January 1, 2021, any health carrier offering a
2 qualified health plan on the exchange must offer one silver
3 standardized health plan and one gold standardized health plan on
4 the exchange. If a health carrier offers a bronze health plan on the
5 exchange, it must offer one bronze standardized health plan on the
6 exchange.

7 (2) A health carrier offering a standardized health plan under
8 this section may also offer nonstandardized health plans on the
9 exchange subject to the following:

10 (a) For plan years 2021 and 2022, a health carrier may offer an
11 unlimited number of nonstandardized health plans on the exchange;

12 (b) For plan years beginning 2023, a health carrier may not
13 offer more than three nonstandardized health plans in each of the
14 bronze, silver, and gold levels on the exchange; and

15 (c) The actuarial value of nonstandardized silver health plans
16 offered on the exchange may not be less than the actuarial value of
17 the standardized silver health plan.

18 (3) A health carrier offering a standardized health plan on the
19 exchange under this section must continue to meet all requirements
20 for qualified health plan certification under RCW 43.71.065
21 including, but not limited to, requirements relating to rate review
22 and network adequacy.

23

24 NEW SECTION. **Sec. 3.** A new section is added to chapter 42.56
25 RCW to read as follows:

26 Any data submitted by health carriers to the insurance
27 commissioner for purposes of establishing standardized benefit plans
28 under section 1 of this act are confidential and exempt from
29 disclosure under this chapter.

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31 NEW SECTION. **Sec. 4.** (1) A legislative task force on health
32 coverage in the individual market is established with members as
33 provided in this subsection.

34

1 (a) The president of the senate shall appoint two members from
2 each of the two largest caucuses of the senate.

3 (b) The speaker of the house of representatives shall appoint
4 two members from each of the two largest caucuses of the house of
5 representatives.

6 (c) The governor shall appoint three members representing the
7 health care authority, the commissioner, and the health benefit
8 exchange.

9 (d) The appointees must have appropriate knowledge and
10 experience regarding health care coverage and financing, or other
11 relevant experience.

12 (2) Members of the task force must be appointed by August 1, 2019.

13 (3) The task force shall prepare an analysis to determine the
14 feasibility of a public health insurance plan option to increase
15 competition and choice for health care consumers. The analysis must,
16 at a minimum, include:

17 (a) An actuarial and economic analysis of a public health
18 insurance plan;

19 (b) A plan to expand the participation of public health plans,
20 including state-licensed county organized health systems and local
21 plans;

22 (c) A state-developed public health insurance plan;

23 (d) A list of necessary federal waivers, if any, for a
24 state-developed public insurance plan;

25 (e) A discussion of potential funding and state costs for a
26 public health insurance plan; and

27 (f) An analysis of the extent to which a new public health
28 insurance plan option could address the underlying factors that
29 limit health plan choices in some regions.

30 (4) When preparing the analysis under subsection (3) of this
31 section, the task force shall consult with key stakeholders,
32 including, but not limited to, advocates, health care providers, and
33 health plans, including county organized health systems and local
34 health plans.

1 (5) The task force shall submit the feasibility study to the
2 legislature and the governor by October 1, 2020.

3 (6) Staff support for the task force must be provided by the
4 senate committee services and the house office of program research.

5 (7) Legislative members of the task force are reimbursed for
6 travel expenses in accordance with RCW 44.04.120. Nonlegislative
7 members are not entitled to be reimbursed for travel expenses if
8 they are elected officials or are participating on behalf of an
9 employer, governmental entity, or other organization. Any
10 reimbursement for other nonlegislative members is subject to chapter
11 43.03 RCW.

12 (8) The expenses of the task force must be paid jointly by the
13 senate and the house of representatives. Task force expenditures are
14 subject to approval by the senate facilities and operations
15 committee and the house of representatives executive rules
16 committee, or their successor committees.

17 (9) Nothing in this section authorizes the task force to apply
18 for a waiver under section 1332 of the federal patient protection
19 and affordable care act (P.L. 111-148) as amended by the federal
20 health care and education reconciliation act of 2010 (P.L. 111-152)
21 or any amendments to, or regulation or guidance issued under, those
22 acts.

23 (10) This section expires January 1, 2021.
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25 NEW SECTION. **Sec. 5.** (1) The insurance commissioner shall
26 develop a plan to implement and fund premium subsidies for
27 individuals whose modified adjusted gross incomes are less than five
28 hundred percent of the federal poverty level and who are purchasing
29 individual market coverage on the exchange. The goal of the plan is
30 to enable participating individuals to spend no more than ten
31 percent of their modified adjusted gross incomes on premiums. The
32 plan must also include an assessment of providing cost-sharing
33 reductions to plan participants.
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1 (2) The insurance commissioner must submit the plan, along with
2 proposed implementing legislation, to the appropriate committees of
3 the legislature by November 15, 2020.

4 (3) This section expires January 1, 2021."
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6 Correct the title.
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EFFECT: Requires the Insurance Commissioner (Commissioner), instead of the Health Benefit Exchange (HBE), to establish the standardized plans. Requires the standardized silver plan to have an actuarial value between 68 and 70 percent. Removes the prohibition against offering non-standardized plans on the Exchange. Removes the requirement that the Health Care Authority contract with health carriers to offer standardized qualified health plans on the HBE. Creates the Legislative Task Force on Health Coverage in the Individual Market to analyze the feasibility of a public health insurance option to increase competition and choice for health care consumers. Requires the analysis to include an actuarial and economic analysis, a plan to expand the participation of public health plans, a state-developed health insurance plan, a list of necessary federal waivers, a discussion of potential funding and costs, and an analysis of whether the new public health insurance plan option could address the underlying factors that limit health plan choices in some regions. Requires the Commissioner, instead of the HBE, to develop a plan for premium subsidies for individuals purchasing coverage on the HBE.

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