

2SHB 2098 - H AMD 167

By Representative Kagi

1 On page 20, after line 37, insert the following:

2 "NEW SECTION. **Sec. 23.** (1) The legislature finds that foster
3 parents play a critical role in our child welfare system by providing
4 a safe and nurturing environment for children who have been placed in
5 foster care. The legislature further finds that foster parents often
6 forgo employment in order to become foster parents, and thereby lose an
7 opportunity to obtain health care coverage through employer-sponsored
8 health insurance.

9 (2) The legislature intends to acknowledge the difficulties that
10 foster parents encounter in finding affordable health care coverage by
11 providing opportunities to enroll in the Washington basic health plan.

12 **Sec. 24.** RCW 70.47.020 and 2005 c 188 s 2 are each amended to read
13 as follows:

14 As used in this chapter:

15 (1) "Washington basic health plan" or "plan" means the system of
16 enrollment and payment for basic health care services, administered by
17 the plan administrator through participating managed health care
18 systems, created by this chapter.

19 (2) "Administrator" means the Washington basic health plan
20 administrator, who also holds the position of administrator of the
21 Washington state health care authority.

22 (3) "Health coverage tax credit program" means the program created
23 by the Trade Act of 2002 (P.L. 107-210) that provides a federal tax
24 credit that subsidizes private health insurance coverage for displaced
25 workers certified to receive certain trade adjustment assistance
26 benefits and for individuals receiving benefits from the pension
27 benefit guaranty corporation.

28 (4) "Health coverage tax credit eligible enrollee" means individual
29 workers and their qualified family members who lose their jobs due to

1 the effects of international trade and are eligible for certain trade
2 adjustment assistance benefits; or are eligible for benefits under the
3 alternative trade adjustment assistance program; or are people who
4 receive benefits from the pension benefit guaranty corporation and are
5 at least fifty-five years old.

6 (5) "Managed health care system" means: (a) Any health care
7 organization, including health care providers, insurers, health care
8 service contractors, health maintenance organizations, or any
9 combination thereof, that provides directly or by contract basic health
10 care services, as defined by the administrator and rendered by duly
11 licensed providers, to a defined patient population enrolled in the
12 plan and in the managed health care system; or (b) a self-funded or
13 self-insured method of providing insurance coverage to subsidized
14 enrollees provided under RCW 41.05.140 and subject to the limitations
15 under RCW 70.47.100(7).

16 (6) "Subsidized enrollee" means:

17 (a) An individual, or an individual plus the individual's spouse or
18 dependent children:

19 ~~((a))~~ (i) Who is not eligible for medicare;

20 ~~((b))~~ (ii) Who is not confined or residing in a government-
21 operated institution, unless he or she meets eligibility criteria
22 adopted by the administrator;

23 ~~((c))~~ (iii) Who is not a full-time student who has received a
24 temporary visa to study in the United States;

25 ~~((d))~~ (iv) Who resides in an area of the state served by a
26 managed health care system participating in the plan;

27 ~~((e))~~ (v) Whose gross family income at the time of enrollment
28 does not exceed two hundred percent of the federal poverty level as
29 adjusted for family size and determined annually by the federal
30 department of health and human services; and

31 ~~((f))~~ (vi) Who chooses to obtain basic health care coverage from
32 a particular managed health care system in return for periodic payments
33 to the plan~~((7))~~;

34 (b) An individual who meets the requirements in (a)(i) through (iv)
35 and (vi) of this subsection and who is a foster parent licensed under
36 chapter 74.15 RCW and whose gross family income at the time of
37 enrollment does not exceed three hundred percent of the federal poverty

1 level as adjusted for family size and determined annually by the
2 federal department of health and human services; and

3 (c) To the extent that state funds are specifically appropriated
4 for this purpose, with a corresponding federal match, (~~"subsidized~~
5 ~~enrollee" also means~~) an individual, or an individual's spouse or
6 dependent children, who meets the requirements in (a)(i) through
7 (~~(d)~~) (iv) and (~~(f)~~) (vi) of this subsection and whose gross family
8 income at the time of enrollment is more than two hundred percent, but
9 less than two hundred fifty-one percent, of the federal poverty level
10 as adjusted for family size and determined annually by the federal
11 department of health and human services.

12 (7) "Nonsubsidized enrollee" means an individual, or an individual
13 plus the individual's spouse or dependent children: (a) Who is not
14 eligible for medicare; (b) who is not confined or residing in a
15 government-operated institution, unless he or she meets eligibility
16 criteria adopted by the administrator; (c) who resides in an area of
17 the state served by a managed health care system participating in the
18 plan; (d) who chooses to obtain basic health care coverage from a
19 particular managed health care system; and (e) who pays or on whose
20 behalf is paid the full costs for participation in the plan, without
21 any subsidy from the plan.

22 (8) "Subsidy" means the difference between the amount of periodic
23 payment the administrator makes to a managed health care system on
24 behalf of a subsidized enrollee plus the administrative cost to the
25 plan of providing the plan to that subsidized enrollee, and the amount
26 determined to be the subsidized enrollee's responsibility under RCW
27 70.47.060(2).

28 (9) "Premium" means a periodic payment, based upon gross family
29 income which an individual, their employer or another financial sponsor
30 makes to the plan as consideration for enrollment in the plan as a
31 subsidized enrollee, a nonsubsidized enrollee, or a health coverage tax
32 credit eligible enrollee.

33 (10) "Rate" means the amount, negotiated by the administrator with
34 and paid to a participating managed health care system, that is based
35 upon the enrollment of subsidized, nonsubsidized, and health coverage
36 tax credit eligible enrollees in the plan and in that system.

1 **Sec. 25.** RCW 70.47.060 and 2006 c 343 s 9 are each amended to read
2 as follows:

3 The administrator has the following powers and duties:

4 (1) To design and from time to time revise a schedule of covered
5 basic health care services, including physician services, inpatient and
6 outpatient hospital services, prescription drugs and medications, and
7 other services that may be necessary for basic health care. In
8 addition, the administrator may, to the extent that funds are
9 available, offer as basic health plan services chemical dependency
10 services, mental health services and organ transplant services;
11 however, no one service or any combination of these three services
12 shall increase the actuarial value of the basic health plan benefits by
13 more than five percent excluding inflation, as determined by the office
14 of financial management. All subsidized and nonsubsidized enrollees in
15 any participating managed health care system under the Washington basic
16 health plan shall be entitled to receive covered basic health care
17 services in return for premium payments to the plan. The schedule of
18 services shall emphasize proven preventive and primary health care and
19 shall include all services necessary for prenatal, postnatal, and well-
20 child care. However, with respect to coverage for subsidized enrollees
21 who are eligible to receive prenatal and postnatal services through the
22 medical assistance program under chapter 74.09 RCW, the administrator
23 shall not contract for such services except to the extent that such
24 services are necessary over not more than a one-month period in order
25 to maintain continuity of care after diagnosis of pregnancy by the
26 managed care provider. The schedule of services shall also include a
27 separate schedule of basic health care services for children, eighteen
28 years of age and younger, for those subsidized or nonsubsidized
29 enrollees who choose to secure basic coverage through the plan only for
30 their dependent children. In designing and revising the schedule of
31 services, the administrator shall consider the guidelines for assessing
32 health services under the mandated benefits act of 1984, RCW 48.47.030,
33 and such other factors as the administrator deems appropriate.

34 (2)(a) To design and implement a structure of periodic premiums due
35 the administrator from subsidized enrollees that is based upon gross
36 family income, giving appropriate consideration to family size and the
37 ages of all family members. The enrollment of children shall not
38 require the enrollment of their parent or parents who are eligible for

1 the plan. The structure of periodic premiums shall be applied to
2 subsidized enrollees entering the plan as individuals pursuant to
3 subsection (11) of this section and to the share of the cost of the
4 plan due from subsidized enrollees entering the plan as employees
5 pursuant to subsection (12) of this section.

6 (b) To determine the periodic premiums due the administrator from
7 subsidized enrollees under RCW 70.47.020(6)(b). Premiums due for
8 foster parents with gross family income up to two hundred percent of
9 the federal poverty level shall be set at the minimum premium amount
10 charged to enrollees with income below sixty-five percent of the
11 federal poverty level. Premiums due for foster parents with gross
12 family income between two hundred percent and three hundred percent of
13 the federal poverty level shall not exceed one hundred dollars per
14 month.

15 (c) To determine the periodic premiums due the administrator from
16 nonsubsidized enrollees. Premiums due from nonsubsidized enrollees
17 shall be in an amount equal to the cost charged by the managed health
18 care system provider to the state for the plan plus the administrative
19 cost of providing the plan to those enrollees and the premium tax under
20 RCW 48.14.0201.

21 ~~((+e))~~ (d) To determine the periodic premiums due the
22 administrator from health coverage tax credit eligible enrollees.
23 Premiums due from health coverage tax credit eligible enrollees must be
24 in an amount equal to the cost charged by the managed health care
25 system provider to the state for the plan, plus the administrative cost
26 of providing the plan to those enrollees and the premium tax under RCW
27 48.14.0201. The administrator will consider the impact of eligibility
28 determination by the appropriate federal agency designated by the Trade
29 Act of 2002 (P.L. 107-210) as well as the premium collection and
30 remittance activities by the United States internal revenue service
31 when determining the administrative cost charged for health coverage
32 tax credit eligible enrollees.

33 ~~((+d))~~ (e) An employer or other financial sponsor may, with the
34 prior approval of the administrator, pay the premium, rate, or any
35 other amount on behalf of a subsidized or nonsubsidized enrollee, by
36 arrangement with the enrollee and through a mechanism acceptable to the
37 administrator. The administrator shall establish a mechanism for

1 receiving premium payments from the United States internal revenue
2 service for health coverage tax credit eligible enrollees.

3 ~~((e))~~ (f) To develop, as an offering by every health carrier
4 providing coverage identical to the basic health plan, as configured on
5 January 1, 2001, a basic health plan model plan with uniformity in
6 enrollee cost-sharing requirements.

7 (3) To evaluate, with the cooperation of participating managed
8 health care system providers, the impact on the basic health plan of
9 enrolling health coverage tax credit eligible enrollees. The
10 administrator shall issue to the appropriate committees of the
11 legislature preliminary evaluations on June 1, 2005, and January 1,
12 2006, and a final evaluation by June 1, 2006. The evaluation shall
13 address the number of persons enrolled, the duration of their
14 enrollment, their utilization of covered services relative to other
15 basic health plan enrollees, and the extent to which their enrollment
16 contributed to any change in the cost of the basic health plan.

17 (4) To end the participation of health coverage tax credit eligible
18 enrollees in the basic health plan if the federal government reduces or
19 terminates premium payments on their behalf through the United States
20 internal revenue service.

21 (5) To design and implement a structure of enrollee cost-sharing
22 due a managed health care system from subsidized, nonsubsidized, and
23 health coverage tax credit eligible enrollees. The structure shall
24 discourage inappropriate enrollee utilization of health care services,
25 and may utilize copayments, deductibles, and other cost-sharing
26 mechanisms, but shall not be so costly to enrollees as to constitute a
27 barrier to appropriate utilization of necessary health care services.

28 (6) To limit enrollment of persons who qualify for subsidies so as
29 to prevent an overexpenditure of appropriations for such purposes.
30 Whenever the administrator finds that there is danger of such an
31 overexpenditure, the administrator shall close enrollment until the
32 administrator finds the danger no longer exists. Such a closure does
33 not apply to health coverage tax credit eligible enrollees who receive
34 a premium subsidy from the United States internal revenue service as
35 long as the enrollees qualify for the health coverage tax credit
36 program.

37 (7) To limit the payment of subsidies to subsidized enrollees, as

1 defined in RCW 70.47.020. The level of subsidy provided to persons who
2 qualify may be based on the lowest cost plans, as defined by the
3 administrator.

4 (8) To adopt a schedule for the orderly development of the delivery
5 of services and availability of the plan to residents of the state,
6 subject to the limitations contained in RCW 70.47.080 or any act
7 appropriating funds for the plan.

8 (9) To solicit and accept applications from managed health care
9 systems, as defined in this chapter, for inclusion as eligible basic
10 health care providers under the plan for subsidized enrollees,
11 nonsubsidized enrollees, or health coverage tax credit eligible
12 enrollees. The administrator shall endeavor to assure that covered
13 basic health care services are available to any enrollee of the plan
14 from among a selection of two or more participating managed health care
15 systems. In adopting any rules or procedures applicable to managed
16 health care systems and in its dealings with such systems, the
17 administrator shall consider and make suitable allowance for the need
18 for health care services and the differences in local availability of
19 health care resources, along with other resources, within and among the
20 several areas of the state. Contracts with participating managed
21 health care systems shall ensure that basic health plan enrollees who
22 become eligible for medical assistance may, at their option, continue
23 to receive services from their existing providers within the managed
24 health care system if such providers have entered into provider
25 agreements with the department of social and health services.

26 (10) To receive periodic premiums from or on behalf of subsidized,
27 nonsubsidized, and health coverage tax credit eligible enrollees,
28 deposit them in the basic health plan operating account, keep records
29 of enrollee status, and authorize periodic payments to managed health
30 care systems on the basis of the number of enrollees participating in
31 the respective managed health care systems.

32 (11) To accept applications from individuals residing in areas
33 served by the plan, on behalf of themselves and their spouses and
34 dependent children, for enrollment in the Washington basic health plan
35 as subsidized, nonsubsidized, or health coverage tax credit eligible
36 enrollees, to give priority to members of the Washington national guard
37 and reserves who served in Operation Enduring Freedom, Operation Iraqi
38 Freedom, or Operation Noble Eagle, and their spouses and dependents,

1 for enrollment in the Washington basic health plan, to establish
2 appropriate minimum-enrollment periods for enrollees as may be
3 necessary, and to determine, upon application and on a reasonable
4 schedule defined by the authority, or at the request of any enrollee,
5 eligibility due to current gross family income for sliding scale
6 premiums. Funds received by a family as part of participation in the
7 adoption support program authorized under RCW 26.33.320 and 74.13.100
8 through 74.13.145 shall not be counted toward a family's current gross
9 family income for the purposes of this chapter. When an enrollee fails
10 to report income or income changes accurately, the administrator shall
11 have the authority either to bill the enrollee for the amounts overpaid
12 by the state or to impose civil penalties of up to two hundred percent
13 of the amount of subsidy overpaid due to the enrollee incorrectly
14 reporting income. The administrator shall adopt rules to define the
15 appropriate application of these sanctions and the processes to
16 implement the sanctions provided in this subsection, within available
17 resources. No subsidy may be paid with respect to any enrollee whose
18 current gross family income exceeds twice the federal poverty level or,
19 subject to RCW 70.47.110, who is a recipient of medical assistance or
20 medical care services under chapter 74.09 RCW. If a number of
21 enrollees drop their enrollment for no apparent good cause, the
22 administrator may establish appropriate rules or requirements that are
23 applicable to such individuals before they will be allowed to reenroll
24 in the plan.

25 (12) To accept applications from business owners on behalf of
26 themselves and their employees, spouses, and dependent children, as
27 subsidized or nonsubsidized enrollees, who reside in an area served by
28 the plan. The administrator may require all or the substantial
29 majority of the eligible employees of such businesses to enroll in the
30 plan and establish those procedures necessary to facilitate the orderly
31 enrollment of groups in the plan and into a managed health care system.
32 The administrator may require that a business owner pay at least an
33 amount equal to what the employee pays after the state pays its portion
34 of the subsidized premium cost of the plan on behalf of each employee
35 enrolled in the plan. Enrollment is limited to those not eligible for
36 medicare who wish to enroll in the plan and choose to obtain the basic
37 health care coverage and services from a managed care system
38 participating in the plan. The administrator shall adjust the amount

1 determined to be due on behalf of or from all such enrollees whenever
2 the amount negotiated by the administrator with the participating
3 managed health care system or systems is modified or the administrative
4 cost of providing the plan to such enrollees changes.

5 (13) To determine the rate to be paid to each participating managed
6 health care system in return for the provision of covered basic health
7 care services to enrollees in the system. Although the schedule of
8 covered basic health care services will be the same or actuarially
9 equivalent for similar enrollees, the rates negotiated with
10 participating managed health care systems may vary among the systems.
11 In negotiating rates with participating systems, the administrator
12 shall consider the characteristics of the populations served by the
13 respective systems, economic circumstances of the local area, the need
14 to conserve the resources of the basic health plan trust account, and
15 other factors the administrator finds relevant.

16 (14) To monitor the provision of covered services to enrollees by
17 participating managed health care systems in order to assure enrollee
18 access to good quality basic health care, to require periodic data
19 reports concerning the utilization of health care services rendered to
20 enrollees in order to provide adequate information for evaluation, and
21 to inspect the books and records of participating managed health care
22 systems to assure compliance with the purposes of this chapter. In
23 requiring reports from participating managed health care systems,
24 including data on services rendered enrollees, the administrator shall
25 endeavor to minimize costs, both to the managed health care systems and
26 to the plan. The administrator shall coordinate any such reporting
27 requirements with other state agencies, such as the insurance
28 commissioner and the department of health, to minimize duplication of
29 effort.

30 (15) To evaluate the effects this chapter has on private employer-
31 based health care coverage and to take appropriate measures consistent
32 with state and federal statutes that will discourage the reduction of
33 such coverage in the state.

34 (16) To develop a program of proven preventive health measures and
35 to integrate it into the plan wherever possible and consistent with
36 this chapter.

37 (17) To provide, consistent with available funding, assistance for
38 rural residents, underserved populations, and persons of color.

1 (18) In consultation with appropriate state and local government
2 agencies, to establish criteria defining eligibility for persons
3 confined or residing in government-operated institutions.

4 (19) To administer the premium discounts provided under RCW
5 48.41.200(3)(a) (i) and (ii) pursuant to a contract with the Washington
6 state health insurance pool."

7 On page 21, line 1, after "**Sec.**" strike "23" and insert "26" and
8 after "15" insert "and 23 through 25"

9 Correct the title.

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