
HOUSE BILL 1868

State of Washington

61st Legislature

2009 Regular Session

By Representatives Bailey, Hinkle, Ericksen, Anderson, Chandler, McCune, Condotta, Haler, Ross, Newhouse, Kristiansen, and Schmick

Read first time 01/30/09. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to access to health insurance for small employers
2 and their employees; and amending RCW 48.21.045, 48.44.023, and
3 48.46.066.

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

5 **Sec. 1.** RCW 48.21.045 and 2008 c 143 s 6 are each amended to read
6 as follows:

7 (1)((+a)) An insurer offering any health benefit plan to a small
8 employer, either directly or through an association or member-governed
9 group formed specifically for the purpose of purchasing health care,
10 may offer and actively market to the small employer a health benefit
11 plan featuring a limited schedule of covered health care services.
12 ~~((Nothing in this subsection shall preclude an insurer from offering,~~
13 ~~or a small employer from purchasing, other health benefit plans that~~
14 ~~may have more comprehensive benefits than those included in the product~~
15 ~~offered under this subsection. An insurer offering a health benefit~~
16 ~~plan under this subsection shall clearly disclose all covered benefits~~
17 ~~to the small employer in a brochure filed with the commissioner.~~

18 ~~(b) A health benefit plan offered under this subsection shall~~
19 ~~provide coverage for hospital expenses and services rendered by a~~

1 ~~physician licensed under chapter 18.57 or 18.71 RCW but is not subject~~
2 ~~to the requirements of RCW 48.21.130, 48.21.140, 48.21.141, 48.21.142,~~
3 ~~48.21.144, 48.21.146, 48.21.160 through 48.21.197, 48.21.200,~~
4 ~~48.21.220, 48.21.225, 48.21.230, 48.21.235, 48.21.244, 48.21.250,~~
5 ~~48.21.300, 48.21.310, or 48.21.320.~~

6 ~~(2)) (a) The plan offered under this subsection may be offered~~
7 ~~with a choice of cost-sharing arrangements, and may, but is not~~
8 ~~required to, comply with: RCW 48.21.130 through 48.21.241, 48.21.244~~
9 ~~through 48.21.280, 48.21.300 through 48.21.320, 48.43.045(1) except as~~
10 ~~required in (b) of this subsection, 48.43.093, 48.43.115 through~~
11 ~~48.43.185, 48.43.515(5), or 48.42.100.~~

12 ~~(b) In offering the plan under this subsection, the insurer must~~
13 ~~offer the small employer the option of permitting every category of~~
14 ~~health care provider to provide health services or care for conditions~~
15 ~~covered by the plan pursuant to RCW 48.43.045(1).~~

16 ~~(2) An insurer offering the plan under subsection (1) of this~~
17 ~~section must also offer and actively market to the small employer at~~
18 ~~least one additional health benefit plan.~~

19 ~~(3) Nothing in this section shall prohibit an insurer from~~
20 ~~offering, or a purchaser from seeking, health benefit plans with~~
21 ~~benefits in excess of the health benefit plan offered under subsection~~
22 ~~(1) of this section. All forms, policies, and contracts shall be~~
23 ~~submitted for approval to the commissioner, and the rates of any plan~~
24 ~~offered under this section shall be reasonable in relation to the~~
25 ~~benefits thereto.~~

26 ~~((3)) (4) Premium rates for health benefit plans for small~~
27 ~~employers as defined in this section shall be subject to the following~~
28 ~~provisions:~~

29 ~~(a) The insurer shall develop its rates based on an adjusted~~
30 ~~community rate and may only vary the adjusted community rate for:~~

- 31 ~~(i) Geographic area;~~
- 32 ~~(ii) Family size;~~
- 33 ~~(iii) Age; and~~
- 34 ~~(iv) Wellness activities.~~

35 ~~(b) The adjustment for age in (a)(iii) of this subsection may not~~
36 ~~use age brackets smaller than five-year increments, which shall begin~~
37 ~~with age twenty and end with age sixty-five. Employees under the age~~
38 ~~of twenty shall be treated as those age twenty.~~

1 (c) The insurer shall be permitted to develop separate rates for
2 individuals age sixty-five or older for coverage for which medicare is
3 the primary payer and coverage for which medicare is not the primary
4 payer. Both rates shall be subject to the requirements of this
5 subsection (~~((3))~~) (4).

6 (d) The permitted rates for any age group shall be no more than
7 four hundred twenty-five percent of the lowest rate for all age groups
8 on January 1, 1996, four hundred percent on January 1, 1997, and three
9 hundred seventy-five percent on January 1, 2000, and thereafter.

10 (e) A discount for wellness activities shall be permitted to
11 reflect actuarially justified differences in utilization or cost
12 attributed to such programs.

13 (f) The rate charged for a health benefit plan offered under this
14 section may not be adjusted more frequently than annually except that
15 the premium may be changed to reflect:

16 (i) Changes to the enrollment of the small employer;

17 (ii) Changes to the family composition of the employee;

18 (iii) Changes to the health benefit plan requested by the small
19 employer; or

20 (iv) Changes in government requirements affecting the health
21 benefit plan.

22 (g) Rating factors shall produce premiums for identical groups that
23 differ only by the amounts attributable to plan design, with the
24 exception of discounts for health improvement programs.

25 (h) For the purposes of this section, a health benefit plan that
26 contains a restricted network provision shall not be considered similar
27 coverage to a health benefit plan that does not contain such a
28 provision, provided that the restrictions of benefits to network
29 providers result in substantial differences in claims costs. A carrier
30 may develop its rates based on claims costs (~~((due to network provider
31 reimbursement schedules or type of network))~~) for a plan. This
32 subsection does not restrict or enhance the portability of benefits as
33 provided in RCW 48.43.015.

34 (i) Except for small group health benefit plans that qualify as
35 insurance coverage combined with a health savings account as defined by
36 the United States internal revenue service, adjusted community rates
37 established under this section shall pool the medical experience of all
38 small groups purchasing coverage, including the small group

1 participants in the health insurance partnership established in RCW
2 70.47A.030. However, annual rate adjustments for each small group
3 health benefit plan may vary by up to plus or minus four percentage
4 points from the overall adjustment of a carrier's entire small group
5 pool(~~(, such overall adjustment to be approved by the commissioner,~~
6 ~~upon a showing by the carrier, certified by a member of the American~~
7 ~~academy of actuaries that: (i) The variation is a result of deductible~~
8 ~~leverage, benefit design, or provider network characteristics; and (ii)~~
9 ~~for a rate renewal period, the projected weighted average of all small~~
10 ~~group benefit plans will have a revenue neutral effect on the carrier's~~
11 ~~small group pool. Variations of greater than four percentage points~~
12 ~~are subject to review by the commissioner, and must be approved or~~
13 ~~denied within sixty days of submittal.)) if certified by a member of
14 the American academy of actuaries, that: (i) The variation is a result
15 of deductible leverage, benefit design, claims cost trend for the plan,
16 or provider network characteristics; and (ii) for a rate renewal
17 period, the projected weighted average of all small group benefit plans
18 will have a revenue neutral effect on the carrier's small group pool.
19 Variations of greater than eight percentage points are subject to
20 review by the commissioner, and must be approved or denied within
21 thirty days of submittal. A variation that is not denied within
22 ~~((sixty))~~ thirty days shall be deemed approved. The commissioner must
23 provide to the carrier a detailed actuarial justification for any
24 denial ~~((within thirty days))~~ at the time of the denial.~~

25 (j) For health benefit plans purchased through the health insurance
26 partnership established in chapter 70.47A RCW:

27 (i) Any surcharge established pursuant to RCW 70.47A.030(2)(e)
28 shall be applied only to health benefit plans purchased through the
29 health insurance partnership; and

30 (ii) Risk adjustment or reinsurance mechanisms may be used by the
31 health insurance partnership program to redistribute funds to carriers
32 participating in the health insurance partnership based on differences
33 in risk attributable to individual choice of health plans or other
34 factors unique to health insurance partnership participation. Use of
35 such mechanisms shall be limited to the partnership program and will
36 not affect small group health plans offered outside the partnership.

37 ~~((+4))~~ (5) Nothing in this section shall restrict the right of

1 employees to collectively bargain for insurance providing benefits in
2 excess of those provided herein.

3 ~~((+5))~~ (6)(a) Except as provided in this subsection, requirements
4 used by an insurer in determining whether to provide coverage to a
5 small employer shall be applied uniformly among all small employers
6 applying for coverage or receiving coverage from the carrier.

7 (b) An insurer shall not require a minimum participation level
8 greater than:

9 (i) One hundred percent of eligible employees working for groups
10 with three or less employees; and

11 (ii) Seventy-five percent of eligible employees working for groups
12 with more than three employees.

13 (c) In applying minimum participation requirements with respect to
14 a small employer, a small employer shall not consider employees or
15 dependents who have similar existing coverage in determining whether
16 the applicable percentage of participation is met.

17 (d) An insurer may not increase any requirement for minimum
18 employee participation or modify any requirement for minimum employer
19 contribution applicable to a small employer at any time after the small
20 employer has been accepted for coverage.

21 (e) Minimum participation requirements and employer premium
22 contribution requirements adopted by the health insurance partnership
23 board under RCW 70.47A.110 shall apply only to the employers and
24 employees who purchase health benefit plans through the health
25 insurance partnership.

26 ~~((+6))~~ (7) An insurer must offer coverage to all eligible
27 employees of a small employer and their dependents. An insurer may not
28 offer coverage to only certain individuals or dependents in a small
29 employer group or to only part of the group. An insurer may not modify
30 a health plan with respect to a small employer or any eligible employee
31 or dependent, through riders, endorsements or otherwise, to restrict or
32 exclude coverage or benefits for specific diseases, medical conditions,
33 or services otherwise covered by the plan.

34 ~~((+7))~~ (8) As used in this section, "health benefit plan," "small
35 employer," "adjusted community rate," and "wellness activities" mean
36 the same as defined in RCW 48.43.005.

1 **Sec. 2.** RCW 48.44.023 and 2008 c 143 s 7 are each amended to read
2 as follows:

3 (1)~~((a))~~ A health care services contractor offering any health
4 benefit plan to a small employer, either directly or through an
5 association or member-governed group formed specifically for the
6 purpose of purchasing health care, may offer and actively market to the
7 small employer ~~((a))~~ no more than one health benefit plan featuring a
8 limited schedule of covered health care services. ~~((Nothing in this~~
9 ~~subsection shall preclude a contractor from offering, or a small~~
10 ~~employer from purchasing, other health benefit plans that may have more~~
11 ~~comprehensive benefits than those included in the product offered under~~
12 ~~this subsection. A contractor offering a health benefit plan under~~
13 ~~this subsection shall clearly disclose all covered benefits to the~~
14 ~~small employer in a brochure filed with the commissioner.~~

15 ~~(b) A health benefit plan offered under this subsection shall~~
16 ~~provide coverage for hospital expenses and services rendered by a~~
17 ~~physician licensed under chapter 18.57 or 18.71 RCW but is not subject~~
18 ~~to the requirements of RCW 48.44.225, 48.44.240, 48.44.245, 48.44.290,~~
19 ~~48.44.300, 48.44.310, 48.44.320, 48.44.325, 48.44.330, 48.44.335,~~
20 ~~48.44.344, 48.44.360, 48.44.400, 48.44.440, 48.44.450, and 48.44.460.~~

21 ~~(2))~~ (a) The plan offered under this subsection may be offered
22 with a choice of cost-sharing arrangements, and may, but is not
23 required to, comply with: RCW 48.44.210, 48.44.212, 48.44.225,
24 48.44.240 through 48.44.245, 48.44.290 through 48.44.341, 48.44.344,
25 48.44.360 through 48.44.380, 48.44.400, 48.44.420, 48.44.440 through
26 48.44.460, 48.44.500, 48.43.045(1) except as required in (b) of this
27 subsection, 48.43.093, 48.43.115 through 48.43.185, 48.43.515(5), or
28 48.42.100.

29 (b) In offering the plan under this subsection, the health care
30 service contractor must offer the small employer the option of
31 permitting every category of health care provider to provide health
32 services or care for conditions covered by the plan pursuant to RCW
33 48.43.045(1).

34 (2) A health care service contractor offering the plan under
35 subsection (1) of this section must also offer and actively market to
36 the small employer at least one additional health benefit plan.

37 (3) Nothing in this section shall prohibit a health care service
38 contractor from offering, or a purchaser from seeking, health benefit

1 plans with benefits in excess of the health benefit plan offered under
2 subsection (1) of this section. All forms, policies, and contracts
3 shall be submitted for approval to the commissioner, and the rates of
4 any plan offered under this section shall be reasonable in relation to
5 the benefits thereto.

6 ~~((3))~~ (4) Premium rates for health benefit plans for small
7 employers as defined in this section shall be subject to the following
8 provisions:

9 (a) The contractor shall develop its rates based on an adjusted
10 community rate and may only vary the adjusted community rate for:

- 11 (i) Geographic area;
- 12 (ii) Family size;
- 13 (iii) Age; and
- 14 (iv) Wellness activities.

15 (b) The adjustment for age in (a)(iii) of this subsection may not
16 use age brackets smaller than five-year increments, which shall begin
17 with age twenty and end with age sixty-five. Employees under the age
18 of twenty shall be treated as those age twenty.

19 (c) The contractor shall be permitted to develop separate rates for
20 individuals age sixty-five or older for coverage for which medicare is
21 the primary payer and coverage for which medicare is not the primary
22 payer. Both rates shall be subject to the requirements of this
23 subsection ~~((3))~~ (4).

24 (d) The permitted rates for any age group shall be no more than
25 four hundred twenty-five percent of the lowest rate for all age groups
26 on January 1, 1996, four hundred percent on January 1, 1997, and three
27 hundred seventy-five percent on January 1, 2000, and thereafter.

28 (e) A discount for wellness activities shall be permitted to
29 reflect actuarially justified differences in utilization or cost
30 attributed to such programs.

31 (f) The rate charged for a health benefit plan offered under this
32 section may not be adjusted more frequently than annually except that
33 the premium may be changed to reflect:

- 34 (i) Changes to the enrollment of the small employer;
- 35 (ii) Changes to the family composition of the employee;
- 36 (iii) Changes to the health benefit plan requested by the small
37 employer; or

1 (iv) Changes in government requirements affecting the health
2 benefit plan.

3 (g) Rating factors shall produce premiums for identical groups that
4 differ only by the amounts attributable to plan design, with the
5 exception of discounts for health improvement programs.

6 (h) For the purposes of this section, a health benefit plan that
7 contains a restricted network provision shall not be considered similar
8 coverage to a health benefit plan that does not contain such a
9 provision, provided that the restrictions of benefits to network
10 providers result in substantial differences in claims costs. A carrier
11 may develop its rates based on claims costs (~~(due to network provider~~
12 ~~reimbursement schedules or type of network)) for a plan. This
13 subsection does not restrict or enhance the portability of benefits as
14 provided in RCW 48.43.015.~~

15 (i) Except for small group health benefit plans that qualify as
16 insurance coverage combined with a health savings account as defined by
17 the United States internal revenue service, adjusted community rates
18 established under this section shall pool the medical experience of all
19 groups purchasing coverage, including the small group participants in
20 the health insurance partnership established in RCW 70.47A.030.
21 However, annual rate adjustments for each small group health benefit
22 plan may vary by up to plus or minus (~~(four))~~ eight percentage points
23 from the overall adjustment of a carrier's entire small group pool(~~(~~
24 ~~such overall adjustment to be approved by the commissioner, upon a~~
25 ~~showing by the carrier, certified by a member of the American academy~~
26 ~~of actuaries that: (i) The variation is a result of deductible~~
27 ~~leverage, benefit design, or provider network characteristics; and (ii)~~
28 ~~for a rate renewal period, the projected weighted average of all small~~
29 ~~group benefit plans will have a revenue neutral effect on the carrier's~~
30 ~~small group pool. Variations of greater than four percentage points~~
31 ~~are subject to review by the commissioner, and must be approved or~~
32 ~~denied within sixty days of submittal)) if certified by a member of the
33 American academy of actuaries, that: (i) The variation is a result of
34 deductible leverage, benefit design, claims cost trend for the plan, or
35 provider network characteristics; and (ii) for a rate renewal period,
36 the projected weighted average of all small group benefit plans will
37 have a revenue neutral effect on the carrier's small group pool.
38 Variations of greater than eight percentage points are subject to~~

1 review by the commissioner, and must be approved or denied within
2 thirty days of submittal. A variation that is not denied within
3 ~~((sixty))~~ thirty days shall be deemed approved. The commissioner must
4 provide to the carrier a detailed actuarial justification for any
5 denial ~~((within thirty days))~~ at the time of the denial.

6 (j) For health benefit plans purchased through the health insurance
7 partnership established in chapter 70.47A RCW:

8 (i) Any surcharge established pursuant to RCW 70.47A.030(2)(e)
9 shall be applied only to health benefit plans purchased through the
10 health insurance partnership; and

11 (ii) Risk adjustment or reinsurance mechanisms may be used by the
12 health insurance partnership program to redistribute funds to carriers
13 participating in the health insurance partnership based on differences
14 in risk attributable to individual choice of health plans or other
15 factors unique to health insurance partnership participation. Use of
16 such mechanisms shall be limited to the partnership program and will
17 not affect small group health plans offered outside the partnership.

18 ~~((+4))~~ (5) Nothing in this section shall restrict the right of
19 employees to collectively bargain for insurance providing benefits in
20 excess of those provided herein.

21 ~~((+5))~~ (6)(a) Except as provided in this subsection, requirements
22 used by a contractor in determining whether to provide coverage to a
23 small employer shall be applied uniformly among all small employers
24 applying for coverage or receiving coverage from the carrier.

25 (b) A contractor shall not require a minimum participation level
26 greater than:

27 (i) One hundred percent of eligible employees working for groups
28 with three or less employees; and

29 (ii) Seventy-five percent of eligible employees working for groups
30 with more than three employees.

31 (c) In applying minimum participation requirements with respect to
32 a small employer, a small employer shall not consider employees or
33 dependents who have similar existing coverage in determining whether
34 the applicable percentage of participation is met.

35 (d) A contractor may not increase any requirement for minimum
36 employee participation or modify any requirement for minimum employer
37 contribution applicable to a small employer at any time after the small
38 employer has been accepted for coverage.

1 (e) Minimum participation requirements and employer premium
2 contribution requirements adopted by the health insurance partnership
3 board under RCW 70.47A.110 shall apply only to the employers and
4 employees who purchase health benefit plans through the health
5 insurance partnership.

6 ~~((+6))~~ (7) A contractor must offer coverage to all eligible
7 employees of a small employer and their dependents. A contractor may
8 not offer coverage to only certain individuals or dependents in a small
9 employer group or to only part of the group. A contractor may not
10 modify a health plan with respect to a small employer or any eligible
11 employee or dependent, through riders, endorsements or otherwise, to
12 restrict or exclude coverage or benefits for specific diseases, medical
13 conditions, or services otherwise covered by the plan.

14 **Sec. 3.** RCW 48.46.066 and 2008 c 143 s 8 are each amended to read
15 as follows:

16 (1)~~((+a))~~ A health maintenance organization offering any health
17 benefit plan to a small employer, either directly or through an
18 association or member-governed group formed specifically for the
19 purpose of purchasing health care, may offer and actively market to the
20 small employer ~~((a))~~ no more than one health benefit plan featuring a
21 limited schedule of covered health care services. ~~((Nothing in this
22 subsection shall preclude a health maintenance organization from
23 offering, or a small employer from purchasing, other health benefit
24 plans that may have more comprehensive benefits than those included in
25 the product offered under this subsection. A health maintenance
26 organization offering a health benefit plan under this subsection shall
27 clearly disclose all the covered benefits to the small employer in a
28 brochure filed with the commissioner.~~

29 ~~(b) A health benefit plan offered under this subsection shall
30 provide coverage for hospital expenses and services rendered by a
31 physician licensed under chapter 18.57 or 18.71 RCW but is not subject
32 to the requirements of RCW 48.46.275, 48.46.280, 48.46.285, 48.46.350,
33 48.46.355, 48.46.375, 48.46.440, 48.46.480, 48.46.510, 48.46.520, and
34 48.46.530.~~

35 ~~(+2))~~ (a) The plan offered under this subsection may be offered
36 with a choice of cost-sharing arrangements, and may, but is not
37 required to, comply with: RCW 48.46.250, 48.46.272 through 48.46.291,

1 48.46.320, 48.46.350, 48.46.375, 48.46.440 through 48.46.460,
2 48.46.480, 48.46.490, 48.46.510, 48.46.520, 48.46.530, 48.46.565,
3 48.46.570, 48.46.575, 48.43.045(1) except as required in (b) of this
4 subsection, 48.43.093, 48.43.115 through 48.43.185, 48.43.515(5), or
5 48.42.100.

6 (b) In offering the plan under this subsection, the health
7 maintenance organization must offer the small employer the option of
8 permitting every category of health care provider to provide health
9 services or care for conditions covered by the plan pursuant to RCW
10 48.43.045(1).

11 (2) A health maintenance organization offering the plan under
12 subsection (1) of this section must also offer and actively market to
13 the small employer at least one additional health benefit plan.

14 (3) Nothing in this section shall prohibit a health maintenance
15 organization from offering, or a purchaser from seeking, health benefit
16 plans with benefits in excess of the health benefit plan offered under
17 subsection (1) of this section. All forms, policies, and contracts
18 shall be submitted for approval to the commissioner, and the rates of
19 any plan offered under this section shall be reasonable in relation to
20 the benefits thereto.

21 ~~((+3))~~ (4) Premium rates for health benefit plans for small
22 employers as defined in this section shall be subject to the following
23 provisions:

24 (a) The health maintenance organization shall develop its rates
25 based on an adjusted community rate and may only vary the adjusted
26 community rate for:

- 27 (i) Geographic area;
- 28 (ii) Family size;
- 29 (iii) Age; and
- 30 (iv) Wellness activities.

31 (b) The adjustment for age in (a)(iii) of this subsection may not
32 use age brackets smaller than five-year increments, which shall begin
33 with age twenty and end with age sixty-five. Employees under the age
34 of twenty shall be treated as those age twenty.

35 (c) The health maintenance organization shall be permitted to
36 develop separate rates for individuals age sixty-five or older for
37 coverage for which medicare is the primary payer and coverage for which

1 medicare is not the primary payer. Both rates shall be subject to the
2 requirements of this subsection (~~((3))~~) (4).

3 (d) The permitted rates for any age group shall be no more than
4 four hundred twenty-five percent of the lowest rate for all age groups
5 on January 1, 1996, four hundred percent on January 1, 1997, and three
6 hundred seventy-five percent on January 1, 2000, and thereafter.

7 (e) A discount for wellness activities shall be permitted to
8 reflect actuarially justified differences in utilization or cost
9 attributed to such programs.

10 (f) The rate charged for a health benefit plan offered under this
11 section may not be adjusted more frequently than annually except that
12 the premium may be changed to reflect:

13 (i) Changes to the enrollment of the small employer;

14 (ii) Changes to the family composition of the employee;

15 (iii) Changes to the health benefit plan requested by the small
16 employer; or

17 (iv) Changes in government requirements affecting the health
18 benefit plan.

19 (g) Rating factors shall produce premiums for identical groups that
20 differ only by the amounts attributable to plan design, with the
21 exception of discounts for health improvement programs.

22 (h) For the purposes of this section, a health benefit plan that
23 contains a restricted network provision shall not be considered similar
24 coverage to a health benefit plan that does not contain such a
25 provision, provided that the restrictions of benefits to network
26 providers result in substantial differences in claims costs. A carrier
27 may develop its rates based on claims costs (~~((due to network provider
28 reimbursement schedules or type of network))~~) for a plan. This
29 subsection does not restrict or enhance the portability of benefits as
30 provided in RCW 48.43.015.

31 (i) Except for small group health benefit plans that qualify as
32 insurance coverage combined with a health savings account as defined by
33 the United States internal revenue service, adjusted community rates
34 established under this section shall pool the medical experience of all
35 groups purchasing coverage, including the small group participants in
36 the health insurance partnership established in RCW 70.47A.030.
37 However, annual rate adjustments for each small group health benefit
38 plan may vary by up to plus or minus (~~((four))~~) eight percentage points

1 from the overall adjustment of a carrier's entire small group pool(~~(~~
2 ~~such overall adjustment to be approved by the commissioner, upon a~~
3 ~~showing by the carrier, certified by a member of the American academy~~
4 ~~of actuaries that: (i) The variation is a result of deductible~~
5 ~~leverage, benefit design, or provider network characteristics; and (ii)~~
6 ~~for a rate renewal period, the projected weighted average of all small~~
7 ~~group benefit plans will have a revenue neutral effect on the carrier's~~
8 ~~small group pool. Variations of greater than four percentage points~~
9 ~~are subject to review by the commissioner, and must be approved or~~
10 ~~denied within sixty days of submittal~~) if certified by a member of the
11 American academy of actuaries, that: (i) The variation is a result of
12 deductible leverage, benefit design, claims cost trend for the plan, or
13 provider network characteristics; and (ii) for a rate renewal period,
14 the projected weighted average of all small group benefit plans will
15 have a revenue neutral effect on the health maintenance organization's
16 small group pool. Variations of greater than eight percentage points
17 are subject to review by the commissioner, and must be approved or
18 denied within thirty days of submittal. A variation that is not denied
19 within ~~((sixty))~~ thirty days shall be deemed approved. The
20 commissioner must provide to the carrier a detailed actuarial
21 justification for any denial ~~((within thirty days))~~ at the time of the
22 denial.

23 (j) For health benefit plans purchased through the health insurance
24 partnership established in chapter 70.47A RCW:

25 (i) Any surcharge established pursuant to RCW 70.47A.030(2)(e)
26 shall be applied only to health benefit plans purchased through the
27 health insurance partnership; and

28 (ii) Risk adjustment or reinsurance mechanisms may be used by the
29 health insurance partnership program to redistribute funds to carriers
30 participating in the health insurance partnership based on differences
31 in risk attributable to individual choice of health plans or other
32 factors unique to health insurance partnership participation. Use of
33 such mechanisms shall be limited to the partnership program and will
34 not affect small group health plans offered outside the partnership.

35 ~~((+4))~~ (5) Nothing in this section shall restrict the right of
36 employees to collectively bargain for insurance providing benefits in
37 excess of those provided herein.

1 (~~(+5)~~) (6)(a) Except as provided in this subsection, requirements
2 used by a health maintenance organization in determining whether to
3 provide coverage to a small employer shall be applied uniformly among
4 all small employers applying for coverage or receiving coverage from
5 the carrier.

6 (b) A health maintenance organization shall not require a minimum
7 participation level greater than:

8 (i) One hundred percent of eligible employees working for groups
9 with three or less employees; and

10 (ii) Seventy-five percent of eligible employees working for groups
11 with more than three employees.

12 (c) In applying minimum participation requirements with respect to
13 a small employer, a small employer shall not consider employees or
14 dependents who have similar existing coverage in determining whether
15 the applicable percentage of participation is met.

16 (d) A health maintenance organization may not increase any
17 requirement for minimum employee participation or modify any
18 requirement for minimum employer contribution applicable to a small
19 employer at any time after the small employer has been accepted for
20 coverage.

21 (e) Minimum participation requirements and employer premium
22 contribution requirements adopted by the health insurance partnership
23 board under RCW 70.47A.110 shall apply only to the employers and
24 employees who purchase health benefit plans through the health
25 insurance partnership.

26 (~~(+6)~~) (7) A health maintenance organization must offer coverage
27 to all eligible employees of a small employer and their dependents. A
28 health maintenance organization may not offer coverage to only certain
29 individuals or dependents in a small employer group or to only part of
30 the group. A health maintenance organization may not modify a health
31 plan with respect to a small employer or any eligible employee or
32 dependent, through riders, endorsements or otherwise, to restrict or
33 exclude coverage or benefits for specific diseases, medical conditions,
34 or services otherwise covered by the plan.

--- END ---