
HOUSE BILL 1700

State of Washington

63rd Legislature

2013 Regular Session

By Representatives Schmick, Cody, Short, Blake, Ryu, Angel, Tharinger, and Fagan

Read first time 02/06/13. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to health plans provided through associations or
2 member-governed groups; amending RCW 48.21.047, 48.44.024, and
3 48.46.068; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the offering of
6 affordable health care to Washington residents is a critical public
7 policy objective. The legislature further finds that as the affordable
8 care act is fully implemented, it is critical that quality health care
9 coverage continue to be available to residents of the state. The
10 legislature further finds that association health care plans are an
11 important means of delivering quality and affordable health care
12 coverage and that continuation of such plans will help mitigate the
13 costs of implementing the affordable care act. Therefore, the
14 legislature declares that association health care plans meeting certain
15 standards should be continued as a means of providing health care as
16 the affordable care act is implemented.

17 **Sec. 2.** RCW 48.21.047 and 2010 c 292 s 8 are each amended to read
18 as follows:

1 (1) An insurer may not offer any health benefit plan to any small
2 employer without complying with RCW 48.21.045(3).

3 (2) Employers purchasing health plans provided through associations
4 or through member-governed groups formed specifically for the purpose
5 of purchasing health care are not small employers and the plans are not
6 subject to RCW 48.21.045(3).

7 (3) For plan years beginning on or after January 1, 2014, health
8 plans provided through associations or member-governed groups are
9 deemed large group health benefit plans, if the association or member-
10 governed group:

11 (a) Operates solely within the borders of a single state and only
12 includes member companies that have a registered Washington state
13 unified business identifier;

14 (b) Complies with all state and federal laws applicable to fully
15 insured large group health plans;

16 (c) Does not health underwrite individuals;

17 (d) Does not bar any entity from association membership based on
18 age, health status, or claims experience; and

19 (e) Offers coverage to all association members, regardless of age,
20 health status, or claims experience.

21 (4) For purposes of this section, "health benefit plan," "health
22 plan," and "small employer" mean the same as defined in RCW 48.43.005.

23 ((+4)) (5) For purposes of this section, "census date" has the
24 same meaning as defined in RCW 48.44.010.

25 **Sec. 3.** RCW 48.44.024 and 2003 c 248 s 15 are each amended to read
26 as follows:

27 (1) A health care service contractor may not offer any health
28 benefit plan to any small employer without complying with RCW
29 48.44.023(3).

30 (2) Employers purchasing health plans provided through associations
31 or through member-governed groups formed specifically for the purpose
32 of purchasing health care are not small employers and the plans are not
33 subject to RCW 48.44.023(3).

34 (3) For plan years beginning on or after January 1, 2014, health
35 plans provided through associations or member-governed groups are
36 deemed large group health benefit plans, if the association or member-
37 governed group:

1 (a) Operates solely within the borders of a single state and only
2 includes member companies that have a registered Washington state
3 unified business identifier;

4 (b) Complies with all state and federal laws applicable to fully
5 insured large group health plans;

6 (c) Does not health underwrite individuals;

7 (d) Does not bar any entity from association membership based on
8 age, health status, or claims experience; and

9 (e) Offers coverage to all association members, regardless of age,
10 health status, or claims experience.

11 (4) For purposes of this section, "health benefit plan," "health
12 plan," and "small employer" mean the same as defined in RCW 48.43.005.

13 **Sec. 4.** RCW 48.46.068 and 2003 c 248 s 16 are each amended to read
14 as follows:

15 (1) A health maintenance organization may not offer any health
16 benefit plan to any small employer without complying with RCW
17 48.46.066(3).

18 (2) Employers purchasing health plans provided through associations
19 or through member-governed groups formed specifically for the purpose
20 of purchasing health care are not small employers and are not subject
21 to RCW 48.46.066(3).

22 (3) For plan years beginning on or after January 1, 2014, health
23 plans provided through associations or member-governed groups are
24 deemed large group health benefit plans, if the association or member-
25 governed group:

26 (a) Operates solely within the borders of a single state and only
27 includes member companies that have a registered Washington state
28 unified business identifier;

29 (b) Complies with all state and federal laws applicable to fully
30 insured large group health plans;

31 (c) Does not health underwrite individuals;

32 (d) Does not bar any entity from association membership based on
33 age, health status, or claims experience; and

34 (e) Offers coverage to all association members, regardless of age,
35 health status, or claims experience.

1 (4) For purposes of this section, "health benefit plan," "health
2 plan," and "small employer" mean the same as defined in RCW 48.43.005.

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