
SUBSTITUTE HOUSE BILL 1523

State of Washington

66th Legislature

2019 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Cody, Macri, Riccelli, Stonier, Tharinger, Ormsby, Davis, Frame, Robinson, Thai, Doglio, Stanford, and Valdez; by request of Office of the Governor)

1 AN ACT Relating to increasing the availability of quality,
2 affordable health coverage in the individual market; adding a new
3 section to chapter 43.71 RCW; adding a new section to chapter 42.56
4 RCW; adding a new section to chapter 41.05 RCW; creating a new
5 section; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.71
8 RCW to read as follows:

9 (1) The exchange, in consultation with the commissioner, the
10 authority, an independent actuary, and other stakeholders, must
11 establish up to three standardized health plans for each of the
12 bronze, silver, and gold levels.

13 (a) The standardized health plans must be designed to reduce
14 deductibles, make more services available before the deductible,
15 provide predictable cost sharing, maximize subsidies, limit adverse
16 premium impacts, reduce barriers to maintaining and improving health,
17 and encourage choice based on value, while limiting increases in
18 health plan premium rates.

19 (b) The exchange may update the standardized health plans
20 annually.

1 (c) The exchange must provide a notice and public comment period
2 before finalizing each year's standardized health plans.

3 (d) The exchange must provide written notice of the standardized
4 health plans to licensed health carriers by January 31st before the
5 year in which the health plans are to be offered on the exchange.

6 (2)(a) Beginning January 1, 2021, any health carrier offering a
7 qualified health plan on the exchange must offer one silver
8 standardized health plan and one gold standardized health plan on the
9 exchange. If a health carrier offers a bronze health plan on the
10 exchange, it must offer one bronze standardized health plan on the
11 exchange.

12 (b) For plan years 2021 through 2024, a health carrier offering a
13 standardized health plan under this section may also offer
14 nonstandardized health plans on the exchange subject to the
15 following:

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

18 (ii) For plan years 2023 and 2024, a health carrier may not offer
19 more than three nonstandardized health plans in each of the bronze,
20 silver, and gold levels on the exchange; and

21 (iii) The actuarial value of nonstandardized silver health plans
22 offered on the exchange may not be less than the actuarial value of
23 the standardized silver health plan.

24 (c) For health plan years beginning in 2025, a health carrier may
25 not offer nonstandardized health plans in any metal level on the
26 exchange.

27 (d) A health carrier offering a standardized health plan on the
28 exchange under this section must continue to meet all requirements
29 for qualified health plan certification under RCW 43.71.065
30 including, but not limited to, requirements relating to rate review
31 and network adequacy.

32 NEW SECTION. **Sec. 2.** A new section is added to chapter 42.56
33 RCW to read as follows:

34 Any data submitted by health carriers to the health benefit
35 exchange for purposes of establishing standardized benefit plans
36 under section 1 of this act are confidential and exempt from
37 disclosure under this chapter.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05
2 RCW to read as follows:

3 (1) The authority, in consultation with the health benefit
4 exchange, must contract with one or more health carriers to offer
5 silver and gold qualified health plans on the Washington health
6 benefit exchange for plan years beginning in 2021. A qualified health
7 plan offered under this section must meet the following criteria:

8 (a) The qualified health plan must be a standardized health plan
9 established under section 1 of this act;

10 (b) The qualified health plan must meet all requirements for
11 qualified health plan certification under RCW 43.71.065 including,
12 but not limited to, requirements relating to rate review and network
13 adequacy;

14 (c) The qualified health plan must incorporate recommendations of
15 the Robert Bree collaborative and the health technology assessment
16 program;

17 (d) The qualified health plan must use a managed care model that
18 includes care coordination care management to enrollees as
19 appropriate; and

20 (e) The qualified health plan's fee-for-service rates for
21 providers and facilities may not exceed the medicare rates for the
22 same or similar covered services in the same or similar geographic
23 area. For reimbursement methodologies other than fee-for-service, the
24 aggregate amount the qualified health plan pays to providers and
25 facilities may not exceed the equivalent of the aggregate amount the
26 qualified health plan would have reimbursed providers and facilities
27 using fee-for-service medicare rates.

28 (2) When implementing this section, the director must use a
29 request for qualifications process. The director must review the
30 qualifications of health carriers seeking to offer qualified health
31 plans under this section and may negotiate with the health plans to
32 the extent necessary to refine the health carriers' responses. The
33 director must contract with all health carriers who meet the minimum
34 qualifications.

35 (3) Nothing in this section prohibits a health carrier offering
36 qualified health plans under this section from offering other health
37 plans in the individual market.

38 NEW SECTION. **Sec. 4.** (1) The Washington health benefit
39 exchange, in consultation with the health care authority and the

1 insurance commissioner, must develop a plan to implement and fund
2 premium subsidies for individuals whose modified adjusted gross
3 incomes are less than five hundred percent of the federal poverty
4 level and who are purchasing individual market coverage on the
5 exchange. The goal of the plan is to enable participating individuals
6 to spend no more than ten percent of their modified adjusted gross
7 incomes on premiums. The plan must also include an assessment of
8 providing cost-sharing reductions to plan participants.

9 (2) The Washington health benefit exchange must submit the plan,
10 along with proposed implementing legislation, to the appropriate
11 committees of the legislature by November 15, 2020.

12 (3) This section expires January 1, 2021.

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