



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Health Care Authority, Washington Apple Health

- Preproposal Statement of Inquiry was filed as WSR 16-02-037; or
- Expedited Rule Making--Proposed notice was filed as WSR _____; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

- Original Notice
- Supplemental Notice to WSR _____
- Continuance of WSR _____

Title of rule and other identifying information:

Chapter 182-558 WAC – Premium payment program.

Hearing location:

Health Care Authority
Cherry Street Plaza Building; Sue Crystal Conf Rm 106A
626 - 8th Avenue, Olympia WA 98504

Metered public parking is available street side around building. A map is available at:
http://www.hca.wa.gov/documents/directions_to_csp.pdf
or directions can be obtained by calling: (360) 725-1000

Date: **September 27, 2016** Time: **10:00 a.m.**

Date of intended adoption: Not sooner than September 28, 2016 (Note: This is **NOT** the **effective** date)

Submit written comments to:

Name: HCA Rules Coordinator
Address: PO Box 45504, Olympia WA, 98504-5504
Delivery: 626 – 8th Avenue, Olympia WA 98504
e-mail arc@hca.wa.gov
fax (360) 586-9727

by **5:00pm on September 27, 2016**

Assistance for persons with disabilities: Contact Amber Lougheed by September 23, 2016
e-mail: amber.lougheed@hca.wa.gov or (360) 725-1349

TTY (800) 848-5429 or 711

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

The agency is proposing new rules that will provide parameters for program operations of the premium payment program.

Reasons supporting proposal: See purpose.

Statutory authority for adoption: RCW 41.05.021, 41.05.160

Statute being implemented: RCW 41.05.021, 41.05.160

Is rule necessary because of a:

- Federal Law? Yes No
 - Federal Court Decision? Yes No
 - State Court Decision? Yes No
- If yes, CITATION:

DATE
August 15, 2016

NAME
Wendy Barcus

SIGNATURE

TITLE
HCA Rules Coordinator

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 15, 2016

TIME: 12:14 PM

WSR 16-17-062

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: N/A

Name of proponent: Health Care Authority

- Private
- Public
- Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Chantelle Diaz	PO Box 42716, Olympia WA, 98504-2716	(360) 725-1842
Implementation....Melissa Bruce	PO Box 45500, Olympia WA, 98504-5500	(360) 725-1572
Enforcement..... Melissa Bruce	PO Box 45500, Olympia WA, 98504-5500	(360) 725-1572

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone ()

fax ()

e-mail

No. Explain why no statement was prepared.

The agency has determined that the proposed filing does not impose a disproportionate cost impact on small businesses or nonprofits.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone ()

fax ()

e-mail

No: Please explain:

RCW 34.05.328 does not apply to Health Care Authority rules unless requested by the Joint Administrative Rules Review Committee or applied voluntarily.

**Chapter 182-558 WAC
PREMIUM PAYMENT PROGRAM**

NEW SECTION

WAC 182-558-0010 Premium payment program (PPP). The medicaid agency may pay a premium assistance subsidy for comprehensive health insurance premiums and other cost-sharing when the agency determines it is cost-effective to maintain a client's available health care coverage.

NEW SECTION

WAC 182-558-0020 Definitions. The following definitions, and those found in chapter 182-500 WAC, apply to this chapter.

"Average cost per user" means the agency's average medicaid expenditure for a person of the same age and sex as the applicant, per fiscal year, including administrative costs.

"Comprehensive" means coverage comparable to the services offered under the agency's medicaid state plan that provides at least the following: Physician-related services, inpatient hospital services, outpatient hospital services, prescription drugs, immunizations, and laboratory and X-ray costs.

"Cost-effective" means the cost to the agency for a premium assistance subsidy for a client is less than:

(a) The average cost per user; or

(b) The medicaid expenditures to be incurred if the client does not receive the subsidy based on the client's documented medical condition.

"Employer-sponsored group health insurance" means a comprehensive group health plan provided through an employer or other entity, for which the employer or entity pays some portion of the cost. Group health plans must cover all applicants whose employment qualifies them for coverage and cannot increase the cost for an applicant with a pre-existing condition.

"Flexible health spending arrangement" means the portion of an employee's wages set aside in an account to pay for qualified expenses such as medical or child care costs.

"Health savings account" means a medical savings account available to employees enrolled in a high-deductible health insurance plan.

"High-deductible health insurance plan" means coverage that meets the definition in Section 223(c)(2) of the Internal Revenue Code.

"Qualified employer-sponsored group health insurance" means a comprehensive group health plan provided through an employer that is offered in a nondiscriminatory manner under 26 U.S.C. Sec. 105(h)(3), and for which the employer subsidizes at least forty percent of the cost of the premium.

NEW SECTION

WAC 182-558-0030 Overview of eligibility. (1) To be eligible for the premium payment program (PPP):

(a) A member of the client's medical assistance unit, as described in chapter 182-506 WAC, must be receiving benefits under:

- (i) Alternative benefits plan coverage;
- (ii) Categorically needy coverage; or
- (iii) Medically needy coverage.

(b) The client must provide the medicaid agency with proof of:

(i) Enrollment in a comprehensive individual or comprehensive employer-sponsored health insurance plan;

(ii) A Social Security Number or tax identification number for the policy holder; and

(iii) Premium expenditures.

(c) The client must not be eligible for medicare.

(2) A comprehensive health insurance plan includes:

(a) An individual health insurance plan;

(b) An employer-sponsored group health insurance plan; or

(c) A qualified employer-sponsored group health insurance plan.

(3) A comprehensive health insurance plan does not include:

(a) A health savings account or flexible health spending arrangement;

(b) A high-deductible plan;

(c) A high-risk plan, including a Washington state health insurance pool (WSHIP) plan; or

(d) A limited or supplemental plan, including a medicare supplemental plan.

(4) A comprehensive health insurance plan must be cost effective as defined in WAC 182-558-0020.

(5) If a client's comprehensive health insurance premium is more than the average cost per user, the client must provide the agency proof from the client's provider(s):

(a) Of an existing medical condition that requires or will be requiring extensive medical care; and

(b) That the cost of the medicaid expenditures would be greater if the agency does not pay a premium assistance subsidy.

(6) PPP enrollment begins no sooner than:

(a) The date on which a client is approved for medicaid;

(b) The date on which the medicaid agency receives and accepts the completed Application for HCA Premium Payment Program (HCA 13-705) form; and

(c) The date on which a client's apple health managed care enrollment ends.

(7) The agency's premium assistance subsidy may not exceed the minimum amount required to maintain comprehensive health insurance for the medicaid-eligible client.

(8) Proof of premium expenditures must be submitted to the agency no later than the end of the third month following the last month of coverage.

(9) The agency's cost-sharing benefit for copays, coinsurance, and deductibles is limited to services covered under the medicaid state plan.

(10) Proof of cost-sharing must be submitted to the agency no later than the end of the sixth month following the date of service.

- (11) The agency may review a client's eligibility for the PPP at any time including, but not limited to:
- (a) A reported increase in the client's premium;
 - (b) An annual open enrollment for the client's health insurance plan; or
 - (c) A change in medicaid eligibility, or the medical assistance unit.

NEW SECTION

WAC 182-558-0040 PPP for a client with an individual health insurance plan. (1) **General rule.** Under section 1905(a) of the Social Security Act, the agency pays a premium assistance subsidy up to an eligible person's individual health insurance premium obligation when the agency determines it is cost effective.

- (2) **Eligible persons.** An eligible person is any client who:
- (a) Has a comprehensive individual health insurance plan;
 - (b) Is receiving categorically needy or medically needy coverage;
- and
- (c) Is not eligible for medicare.

NEW SECTION

WAC 182-558-0050 PPP for a client with an employer-sponsored group health insurance plan. (1) **General rule.** Under section 1906 of the Social Security Act, the agency pays a premium assistance subsidy up to an eligible person's employer-sponsored group health insurance plan premium obligation when the agency determines it is cost effective.

- (2) **Eligible persons.** An eligible person is any client who:
- (a) Has a comprehensive employer-sponsored group health insurance plan, which may be a Consolidated Omnibus Budget Reconciliation Act (COBRA) health insurance plan as described in 26 C.F.R. 54.4980;
 - (b) Is receiving categorically needy or medically needy coverage;
- and
- (c) Is not eligible for medicare.

NEW SECTION

WAC 182-558-0060 PPP for a client with a qualified employer-sponsored group health insurance plan. (1) **General rule.** Under section 1906A of the Social Security Act, the agency pays an eligible person's premium assistance subsidy and other cost-sharing obligations for a qualified employer-sponsored group health insurance plan.

- (2) **Eligible persons.** An eligible person is a client:
- (a) Covered under a qualified employer-sponsored group health insurance plan;
 - (b) Receiving benefits under:

- (i) Alternative benefits plan coverage;
 - (ii) Categorically needy coverage; or
 - (iii) Medically needy coverage.
- (c) The parent of the client in (a) of this subsection, if:
- (i) Enrollment in the health plan depends on a parent's enrollment; and
 - (ii) The client is a dependent of the parents; and
 - (d) Not eligible for medicare.
- (3) **Cost-sharing benefit.** The PPP provides cost-sharing reimbursement limited to services for the medicaid-eligible client or their parents.

NEW SECTION

WAC 182-558-0070 Program monitoring. (1) The agency monitors payments under the premium payment program.

(2) The agency may recover any payment made in error under chapter 41.05A RCW, whether due to client error, administrative error, or misrepresentation.

NEW SECTION

WAC 182-558-0080 Administrative hearings. A client may request an administrative hearing under RCW 74.09.741 and chapter 182-526 WAC if the client does not agree with an agency decision regarding eligibility for the premium payment program, the amount of a premium assistance subsidy, or an overpayment of a premium assistance subsidy.