

Washington State Health Insurance Pool
MEMBER ASSESSMENT POLICY

1. Members shall pay advance interim and final assessments determined by the Board of Directors in accordance with the provisions of the Washington State Health Insurance Coverage Access Act, Chapter 48.41 RCW.
 - a. Except as provided in RCW 48.41.037, any deficit incurred by the pool shall be recouped by member assessments apportioned by the Board of Directors pursuant to the formula set forth below.
 - b. If assessments exceed actual losses and administrative expenses of the pool, the excess shall be held at interest and used by the Board of Directors to offset future losses or to reduce pool premiums. Future losses may include reserves for incurred but not reported claims.
 - c. Members who are terminated shall remain liable for any assessments based on accrued net losses sustained by WSHIP prior to the effective date of their membership termination.
 - d. Any member who fails to pay an assessment when it is due may be referred to the Insurance Commissioner for appropriate action.
2. Advance Interim Assessments. Advance interim assessments shall be made by the Board of Directors in such amounts and at such times as the Board of Directors may determine to be reasonable and necessary for WSHIP's interim operating expenses.
 - a. Unless WSHIP's interim operating expenses require more frequent assessments, advance interim assessments will generally be considered and, if appropriate, approved by the Board of Directors three times each year at its meetings in March, July and November. Each March WSHIP will provide members with an estimate of the total WSHIP projected assessments for the following calendar year.
 - b. Each member's proportion of participation in the advance interim assessments shall be based on the fraction calculated in the manner described below using the most current data available to WSHIP.
 - c. Advance interim assessments shall be due and payable within thirty days of the receipt of an assessment notice. If, however, as authorized by WSHIP's bylaws, the amount of the assessment payable by a member is ten percent or more of the aggregate assessments payable by all members, the Board of Directors may, at its sole discretion, permit the member to pay its assessment in three equal installments.

3. Final Assessments. Each member's final assessment shall be determined by the Board of Directors based on annual statements and other reports deemed necessary by the Board of Directors and filed by the member with the Insurance Commissioner by March 1 of the subsequent year.
 - a. Notice of Assessment Report Filed by Member with Insurance Commissioner.

The data required to calculate member assessments shall be derived from the Notice of Assessment Report filed by each member with the Insurance Commissioner in connection with the member's annual financial statement. By law (RCW 48.05.250; RCW 48.44.095; RCW 48.46.080), the Notice of Assessment Report must be filed with the Insurance Commissioner before March 1 of each year.
 - b. Notification of Proposed Final Assessment and 30 day Reconsideration Period.

Once the necessary data has been provided by the Insurance Commissioner to WSHIP, WSHIP shall provide each member with a notice of its proposed final assessment, including the number of resident insured persons on which the member's assessment was based. Assuming that the necessary data is available to WSHIP on a timely basis, WSHIP expects to provide the notice of its proposed final assessment in July of each year. During the 30 day period immediately following receipt of its notice of proposed final assessment, a member may, for good cause, request a reconsideration of its proposed final assessment. After the 30 day reconsideration period expires, WSHIP shall make any adjustments to assessments that are deemed appropriate and prepare final assessment notices and invoices. Reconsiderations are limited to the 30 day period described above.
 - c. Final Assessment Notices and Invoices. Assuming that necessary data is available to WSHIP on a timely basis, WSHIP expects to provide each member with a notice of its final assessment each September. The actual invoice for final assessments will be included with the Interim III assessment invoices mailed to members in the final quarter of the year.
 - i. Final assessments shall be due and payable within thirty days of the receipt of an assessment invoice. If, however, as authorized by WSHIP's bylaws, the amount of the assessment payable by a member is ten percent or more of the aggregate assessments payable by all members, the Board of Directors may, at its sole discretion, permit the member to pay its assessment in three equal installments.
 - ii. Any advance interim assessments paid during the year will be credited as offsets against the final assessment due following the close of the year.
 - iii. WSHIP reserves the right to recalculate final assessments in the event a member files an assessment report which is not true and correct as required by law.
4. Assessment Calculation. Each member's proportion of participation in the pool for each year shall be determined by multiplying the total cost of pool operation for the calendar year by the following fraction:

- a. Numerator of the fraction: the member's total number of resident insured persons, including spouse and dependents, covered under all health plans in the state by that member during the calendar year.
 - b. Denominator of the fraction: the total number of resident insured persons, including spouses and dependents, covered under all health plans in the state by all pool members during the calendar year.
 - c. As provided in RCW 48.41.090 (2) (b), for purposes of calculating the numerator and the denominator: (i) "all health plans in the state" as applied to the state health care authority shall include only the uniform medical plan; and (ii) each ten resident insured persons, including spouse and dependents, covered under a stop loss plan or the uniform medical plan shall count as one resident insured person; (iii) health plans serving medical care services program clients under RCW 74.09.035 are exempted from the calculation; and (iv) health plans established to serve elderly or disabled Medicaid clients under chapter [74.09](#) RCW when the plan has been implemented on a demonstration or pilot project basis are exempted from the calculation until July 1, 2009.
5. Survey Data Reporting Errors. If WSHIP determines or is notified of a survey reporting error by a member, WSHIP reserves the right to require that member to supply corrected survey data for up to 7 prior years. Upon review of the reporting error and corrected data, the WSHIP Board will make a final determination for a course of action including but not limited to: complete assessment recalculation for the affected years, individual member refund or assessment for affected years, and/or penalties. All refund requests that are the result of survey data reporting errors by a member will be subject to a minimum 1% penalty reduction.
6. Appeals. Any member aggrieved by an act or decision by WSHIP with respect to assessments shall have the right to submit a written appeal to the Board of Directors. In accordance with WSHIP's bylaws, any such appeal must be submitted in writing to the Board of Directors within ninety days of the effective date of the act or decision that gives rise to the appeal. The Board of Directors shall respond to the appeal in writing within ninety days of WSHIP's receipt of the complete information needed to respond to the appeal.

The Board of Directors, at its sole discretion, may consider an appeal that is submitted after ninety days.

7. Abatement or Deferral. The Board of Directors may abate or defer, in whole or in part, the assessment of a member if, in the opinion of the Board of Directors, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations. If an assessment against a member is abated or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other members in a manner consistent with the basis for assessments set forth above. The member receiving such abatement or deferment shall remain liable to the pool for the deficiency.