

ARTICLES OF ORGANIZATION
OF
WASHINGTON STATE HEALTH INSURANCE POOL

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ARTICLES OF ORGANIZATION
OF
WASHINGTON STATE HEALTH INSURANCE POOL

The undersigned, acting as the board of directors of the Washington State Health Insurance Pool (“WSHIP”) under the provisions of the Washington State Health Insurance Coverage Access Act, Chapter 48.41 RCW (the “WSHIP Act”), hereby adopts the following articles of organization:

ARTICLE I - NAME

The name of this entity is:

WASHINGTON STATE HEALTH INSURANCE POOL

ARTICLE II - DURATION

The period of its duration is perpetual.

ARTICLE III - PURPOSES

The purpose of WSHIP is to engage in the activities, perform the functions and carry out the duties and responsibilities specified in the “WSHIP Act”. In so doing, the purpose of WSHIP is to provide access to coverage for medical care on a not-for-profit basis in conformance with the requirements of Section 501(c)(26) of the Internal Revenue Code of 1986, as may be amended from time to time (the “IRS Code”).

ARTICLE IV - POWERS

WSHIP shall have the power to take any lawful action necessary, appropriate or desirable to carry out its purposes consistent with the WSHIP Act and Section 501(c)(26) of the IRS Code.

ARTICLE V - PROHIBITED ACTIVITY

Notwithstanding any of the provisions of these articles of organization, WSHIP shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 501(c)(26) of the Code. No part of the net earnings of WSHIP shall inure to the benefit of any member, director, officer or private individual.

ARTICLE VI – MEMBERS AND DIRECTORS

A. Designation and Qualifications of Members. WSHIP shall have four classes of members designated as “Class A Members,” “Class B Members,” “Class C Members,” and “Class D Members” and shall have no capital stock.

1. Class A Members. Class A Members shall include all commercial insurers licensed under Title 48 RCW who provide disability insurance or stop loss insurance. Class A Members shall not include any insurer whose products are exclusively dental products or those products excluded from the definition of “health coverage” set forth in RCW 48.41.030(10).

2. Class B Members. Class B Members shall include all health care service contractors licensed under Title 48 RCW. Class B Members shall not include any health care service contractor whose products are exclusively dental products or those products excluded from the definition of “health coverage” set forth in RCW 48.41.030(10).

3. Class C Members. Class C Members shall include all health maintenance organizations licensed under Title 48 RCW. Class C Members shall not include any health maintenance organization whose products are exclusively dental products or those products excluded from the definition of “health coverage” set forth in RCW 48.41.030(10).

4. Class D Members. Class D Members shall include all entities included within the definition of “Member” specified in RCW 48.41.030(14) other than the entities included as Class A Members, Class B Members or Class C Members.

B. Commencement and Termination of Membership. All organizations who satisfy the membership eligibility requirements as of the effective date of these articles of organization shall be deemed members of WSHIP automatically effective on the date that these articles of organization become effective. All organizations who satisfy the membership eligibility requirements after the effective date of these articles of organization shall become members of WSHIP automatically effective on the date that they become licensed under Title 48 RCW. The membership of a member shall be terminated automatically upon such member’s failure to meet the qualifications set forth in subparagraph A above.

C. Board of Directors. WSHIP’s board of directors shall be composed of ten (10) directors, of which six shall be appointed by the governor of the State of Washington pursuant to the procedures specified in Section RCW 48.41.040(2), one shall be elected by a vote of the Class A Members, one shall be elected by a vote of the Class B Members, one shall be elected by a vote of the Class C Members and one shall be elected by a vote by all members of WSHIP. No more than one director may be employed by the same member or an affiliate of the same member. In addition to the ten voting directors, the insurance commissioner of the State of Washington shall be a nonvoting, *ex officio* director.

The names of the persons who shall serve as the voting directors until the expiration of their terms of office, as specified below, and until their successors are elected and qualified, are as follows:

<u>Director</u>	<u>Term of Office</u>
Peter McGough	May 31, 2004
Beth Pitt	May 31, 2003
Patti Carter	May 31, 2005
Sean Corry	May 31, 2003
Bob Crittenden	May 31, 2004
Bernie Dochnahl	May 31, 2003
David Toomey	May 31, 2005
Pat Maddock	May 31, 2005
Bob Moore	May 31, 2004
Rob Kuecker	May 31, 2003

D. Voting. Each member entitled to vote shall have its vote weighted based on the formula specified in RCW 48.41.090 to determine the amount of assessments payable by that member to WSHIP during the previous calendar year. Members may vote in person, by mail, by electronic transmission, or by proxy in the manner described in WSHIP bylaws so long as the name of each candidate to be so voted upon are set forth in a writing accompanying or contained in the notice of the meeting. Members voting by mail, electronic transmission or proxy shall be deemed present for all purposes of quorum and count of votes.

E. Member Voting Rights Limited. With the exception of voting on the election of directors as described above, members of WSHIP shall have no voting rights with respect to any matter relating to WSHIP.

F. Notice of Regular Meetings. Notice of regular meetings of the members other than annual meetings may be made by providing each member with the adopted schedule of regular meetings for the ensuing year at any time after the annual meeting and ten days prior to a regular meeting and at any time when requested by a member or such other notice as may be prescribed by WSHIP's bylaws.

ARTICLE VII - BYLAWS

Provisions for the regulation of the internal affairs of WSHIP shall be set forth in the bylaws of WSHIP.

ARTICLE VIII - (RESERVED FOR FUTURE USE)

~~LIMITATION OF DIRECTOR LIABILITY~~

~~In addition to the limitations on liability specified in the WSHIP Act, a director of WSHIP shall not be personally liable to WSHIP for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director, or (ii) for any transaction from which the director~~

~~personally receives a benefit in money, property or services to which the director is not legally entitled. If the WSHIP Act is amended to authorize further eliminating or limiting the personal liability of directors, then the liability of a director of WSHIP shall be eliminated or limited to the fullest extent permitted by the WSHIP Act, as so amended, without any requirement of further action by WSHIP or its directors.~~

~~———— No amendment to or repeal of this Article shall adversely affect any right of protection of any director of WSHIP occurring after the date of the adoption of this Article and prior to such amendment or repeal.~~

ARTICLE IX - INDEMNIFICATION

WSHIP shall indemnify any director or officer of WSHIP who is involved in any capacity in a proceeding (as defined in RCW 23B.08.500, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in WSHIP, to the full extent allowed by applicable law, as presently in effect and as hereafter amended; provided, however, that WSHIP shall only indemnify a director or officer seeking indemnification in connection with a proceeding initiated by such person if such proceeding or part of a proceeding was authorized by the Board of Directors or if such proceeding was brought by a director or officer to enforce a claim for indemnification under this Article and a court or an arbitrator determines that the director is entitled to all of the relief claimed.

By means of a resolution or of a contract specifically approved by the Board of Directors, WSHIP may indemnify an employee or agent to such degree as the Board of Directors determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of WSHIP.

The Board of Directors of WSHIP shall have the right to designate the counsel who shall defend any person or entity who may be entitled to indemnification, to approve any settlement, and to approve in advance any expense.

Reasonable expenses incurred by a director or officer, who is involved in any capacity in a proceeding by reason of the position held in WSHIP, shall be advanced by WSHIP to the full extent allowed by applicable law, as presently in effect and as hereafter amended, unless and until it is determined that such person is not entitled to be indemnified. Reasonable expenses incurred by an employee or agent who is involved in any capacity in a proceeding by reason of the position held by such person or entity in WSHIP may be, but is not required to be, advanced by WSHIP prior to the final disposition of such proceeding up to the full extent allowed by applicable law, as presently in effect and as hereafter amended, unless and until it is determined that such person is not entitled to be indemnified. Expenses shall not be advanced to any director, officer, employee or agent unless that person first promises in a writing delivered to WSHIP to repay all amounts advanced by WSHIP in the event that it is later determined that such person is not entitled to be indemnified.

WSHIP may purchase and maintain insurance on behalf of any person who is a director, officer, employee, or agent of WSHIP or is serving at the request or consent of WSHIP as an

officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability incurred by such person because of such person's status, whether or not WSHIP would have the power to indemnify such person against such liability under the provisions of this Article. In addition, WSHIP may enter into contracts with any director, officer, employee or agent of WSHIP in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including without limitation a letter of credit) to ensure the payment of such amounts as may be necessary or desirable to effect the indemnification and advances contemplated in this Article.

The right to indemnification conferred by or pursuant to this Article shall be interpreted to conform with, and shall not create any right that is inconsistent with, applicable law, as presently in effect and as hereafter amended. To the full extent allowed by applicable law (as presently in effect and as hereafter amended), the right to indemnification conferred by or pursuant to this Article shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. The rights conferred by or pursuant to this Article shall not be exclusive of any other rights which any person may have or acquire under any applicable law (as presently in effect and as hereafter amended), these articles of organization, the bylaws of WSHIP, a vote of the Board of Directors of WSHIP, or otherwise.

Notwithstanding any other provision of this Article, no indemnification shall be provided to any person if in the opinion of counsel payment of such indemnification would cause WSHIP to lose its tax exempt status, if any, from federal income taxation.

No amendment to or repeal of this Article shall adversely affect any right of any director, officer, employee or agent for events occurring after the date of the adoption of this Article and prior to such amendment or repeal.

ARTICLE X - AMENDMENT OF ARTICLES

These articles of organization may be altered, amended or repealed, and new articles of organization may be adopted, by an affirmative vote of a supermajority of the Board of Directors equal to seventy percent (70%) of the full board. No such alteration, amendment, repeal or adoption of new articles shall be effective until they have been submitted to the Washington State Office of Insurance Commissioner and approved in compliance with the requirements of RCW 48.41.040.

Signed: _____

Mike Kreidler
Insurance Commissioner

Date: _____

Received

JUN 25 2020

Insurance Commissioner

AMENDED AND RESTATED
BYLAWS
OF
WASHINGTON STATE HEALTH INSURANCE POOL

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AMENDED AND RESTATED

BYLAWS

OF

WASHINGTON STATE HEALTH INSURANCE POOL

ARTICLE I OFFICES

The principal office and place of business of the Washington State Health Insurance Pool (“*WSHIP*”) in the state of Washington shall be at such location as is designated by the Board of Directors from time to time. The official address may be a post office box or the address of the Administrator appointed by the Board of Directors.

ARTICLE II MEMBERS

Section 2.1 Designation, Qualifications and Rights of Members. The designation, qualifications and rights of the members of *WSHIP* are described in *WSHIP*’s articles of organization.

Section 2.2 Termination of Membership. The Membership of a member shall be terminated automatically upon such member’s failure to meet the qualifications set forth in *WSHIP*’s articles of organization.

Section 2.3 Member Assessments. 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 (the “*WSHIP Act*”). Each member’s proportion of advance interim and final assessments 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. Assessments shall be due and payable within thirty days of the receipt of an assessment notice. If 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 monthly installments. Members who are terminated shall remain liable for any assessments based upon accrued net losses sustained by *WSHIP* prior to the effective date of their membership termination. Any disputes relating to assessments shall be submitted to the Board of Directors pursuant to the grievance procedures specified in Section 2.12 below. Any member who fails to pay an assessment when due may be referred to the Insurance Commissioner for appropriate administrative action. The Insurance Commissioner’s role in connection with the assessment process shall be limited to providing the Board of Directors with relevant data collected by and filed with the Insurance Commissioner and pursuing appropriate administrative action against Members who fail to pay assessments when due.

Section 2.4 Annual Meeting of Members. The annual meeting of the members shall be held on the first Thursday of March or at such other time and place as determined by the Board of Directors.

Section 2.5 Special Meetings of Members. Special meetings of the members may be called by the Chair of the Board of Directors or by a vote of the Board of Directors. The time and place for such meeting shall be set by the Chair or the directors requesting the meeting.

Section 2.6 Place of Member Meetings. Meetings of the members shall be held at either the principal office of WSHIP or at such other place within or without the state of Washington as the Board of Directors or the Chair may designate.

Section 2.7 Notice of Member Meetings. Written or printed notice stating the date, time and place of a meeting of members and, in the case of a special meeting of members, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Chair or the Secretary to each member of record entitled to notice of or to vote at such meeting, not less than ten days and not more than fifty days before the meeting. Such notice shall be effective upon dispatch if sent to the member's address, telephone number, or other number appearing on the records of WSHIP. Notice of the date, time and place of all regular and special meetings of the Members also shall be made available on WSHIP's web page (through the administrator's site). Dates and times for regular meeting will be posted on WSHIP's web page annually at the beginning of each year.

Section 2.8 Waiver of Notice for Member Meetings. A member may waive any notice required to be given under the provisions of these bylaws, the articles of organization or by applicable law, whether before or after the date and time stated therein. Such waiver shall be in writing.

Section 2.9 Member Voting. Each member entitled to vote shall have its vote weighted based on the formula specified in RCW 48.41.090 to determine the amount of assessments payable by that member to WSHIP during the previous calendar year. A member may vote either in person, by mail, by electronic transmission or by proxy. A person may vote by mail or electronic transmission so long as the name of each candidate to be voted upon is set forth in a writing accompanying or contained in the notice of meeting. A member may vote by proxy by means of a proxy appointment form which is executed in writing by the member or by its duly authorized attorney-in-fact. All proxy appointment forms shall be filed with the Secretary of WSHIP before or at the commencement of meetings. No unrevoked proxy appointment form shall be valid after eleven (11) months from the date of its execution unless otherwise expressly provided in the appointment form. No proxy appointment may be effectively revoked until notice in writing of such revocation has been given to the Secretary of WSHIP by the member appointing the proxy.

Section 2.10 Quorum at Member Meetings. At any meeting of the members, attendance by members holding five percent (5%) of the voting rights (weighted in accordance with Section 2.9 above) held by all members entitled to vote on the matter shall constitute a quorum of that voting group for action on that matter. Once a member is present or represented at a meeting, other than to object to holding the meeting or transacting business, the member is deemed to be present for purposes of a quorum for the remainder of the meeting. If a quorum exists, action

on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the question is one upon which a different vote is required by express provision of law or of the articles of organization or of these bylaws. Persons voting by mail, electronic transmission or proxy shall be deemed present for all purposes of quorum, count of votes and percentages of total voting power voting.

Section 2.11 Action by Members Without a Meeting. Any action that may or is required to be taken at a meeting of the members may be taken without a meeting if one or more written consents setting forth the action so taken shall be signed, either before or after the action taken, by all the members entitled to vote with respect to the subject matter thereof. Action taken by written consent of the members is effective when all consents are in possession of WSHIP, unless the consent specifies a later effective date. Whenever any notice is required to be given to any member of WSHIP pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to notice, shall be deemed equivalent to the giving of notice. Copies of any written consent signed by all Members shall be distributed to all persons to whom minutes for meetings of the Board of Directors are distributed pursuant to Section 3.14 hereof.

Section 2.12 Grievance Procedures for Members. Any member aggrieved by any act or decision by WSHIP shall have the right to submit a written appeal to the Board of Directors. 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 resolve the appeal.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 Number of Directors. The business and affairs of WSHIP shall be managed by its Board of Directors. The Board of Directors shall consist of ten directors, plus the Insurance Commissioner, who shall serve as a nonvoting, ex-officio director.

Section 3.2 Appointment or Election of Directors. WSHIP's Board of Directors shall be appointed or elected in the manner specified in WSHIP's articles of organization.

Section 3.3 Tenure and Qualification of Directors. Except as is necessary to stagger the terms of the directors, each director shall hold office for a term of three years and until a successor shall have been appointed and qualified or elected and qualified.

Section 3.4 Annual and Other Regular Meetings of Directors. An annual meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after and at the same place as the annual meeting of members. The Board of Directors shall hold regular meetings quarterly or more frequently at such time and place as the Board of Directors shall specify by resolution.

Section 3.5 Special Meetings of Directors. Special meetings of the Board of Directors may be called by the President (who, as provided by Section 5.1 hereof may also be referred to as the "*Chair*"), the Secretary or any two directors.

Section 3.6 Notice for Meetings of Directors.

(a) Advance notice of regular and special meetings of the Board of Directors shall be provided to the directors and members of the public in compliance with the provisions of this section. Notice of the date, time and place of all regular and special meetings of the Board of Directors shall be made available on WSHIP's web page (through the administrator's site). Dates and times for regular meeting will be posted on WSHIP's web page annually at the beginning of each year. Notice of the dates and times for any regular meetings scheduled or rescheduled for dates or times other than those posted at the beginning of each year will be posted on WSHIP's web page at least ten days prior to the date of the meeting. Notice of special meetings of the Board of Directors stating the date, time and place thereof and the business to be transacted also shall be given to each director and each person who has filed a written request with the executive director to be notified of meetings of the Board of Directors. Such notice may be oral or written and shall be provided with as much notice as reasonably possible under the circumstances, but in no event shall the notice be delivered less than twenty-four hours before the time of the meeting specified in the notice. Written notice is effective upon dispatch if such notice is sent to the postal address, email address, telephone number, or other number appearing on the records of WSHIP of the persons entitled to receive the notice. Final action will not be taken at special meetings on any matter that was not included in the notice for the meeting.

(b) An agenda with meeting subjects, date, time, place and attachments will be emailed in a timely manner to each member of the public who has filed a written request with the executive director to be included on the agenda email list for meetings of the Board of Directors. Hard copies of the agenda will be mailed to each member of the public who has filed a written request with the executive director to receive a hard copy of the agenda materials for meetings of the Board of Directors. Agenda attachments will be included on request, except for confidential attachments such as confidential medical information, legal advice or personnel information. Copies of agenda attachments (excluding confidential attachments) will be made available to guests attending meetings of the Board of Directors.

(c) In the event of emergency meetings of the Board of Directors involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements would make notice impractical and increase the likelihood of such injury or damage, advance notice of the meeting is not required. In such cases minutes of the meeting will be incorporated into the agenda of the next following regular meeting of the Board of Directors.

(d) Notice of meetings of committees appointed by the Board of Directors stating the date, time and place thereof and the business to be transacted also shall be given to each director and each person who has filed a written request with the executive director to be notified of meetings of the committee. Committee reports will be distributed with the minutes of the meeting of the Board of Directors at which the report was reviewed.

Section 3.7 Waiver of Notice of Special Meetings of Directors. Any director may waive notice of any meeting at any time. Whenever any notice is required to be given to any director of WSHIP pursuant to applicable law, a waiver thereof in writing signed by the director, entitled to notice, shall be deemed equivalent to the giving of notice. The attendance of a director at a meeting shall constitute a waiver of notice of the meeting except where a director attends a

meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened.

Section 3.8 Quorum for Meetings of Directors. The presence of seven directors, at least four of whom are directors appointed by the governor and three of whom are directors elected by the members, shall constitute a quorum for the transaction of any business at any meeting of directors. In the event there are two or more governor-appointed positions vacant, the presence of six directors at least three of whom are directors appointed by the governor shall constitute a quorum.

Section 3.9 Manner of Acting by Directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors, unless the question is one upon which a different vote is required by express provision of law, the articles of organization or these bylaws.

Section 3.10 Items Requiring Approval by Supermajority Vote of the Board. Unless there are two or more governor-appointed director positions vacant, the affirmative vote of seven directors is required to:

- (a) approve a contract with the administrator in conformance with RCW 48.41.080 or approve any other contract with an entity or organization to perform administrative activities and duties on behalf of WSHIP if the aggregate payment under the contract is reasonably expected to exceed \$50,000, or such greater amount as may be established in WSHIP's annual budget, or the term of the contract will exceed 12 months;
- (b) levy assessments;
- (c) remove an officer from office;
- (d) alter, amend, or repeal WSHIP's articles of organization, bylaws or operating rules, or adopt new articles of organization, bylaws or operating rules;
- (e) initiate any legal proceeding; or
- (f) pledge the assets of WSHIP as security for purposes of borrowing funds.

Section 3.11 Participation by Directors by Conference Telephone. Directors may participate in a regular or special meeting of the board by, or conduct the meeting through the use of, any means of communication by which all directors participating, and any of the members of the public who wish to participate, can hear each other during the meeting and participation by such means shall constitute presence in person at the meeting.

Section 3.12 Presumption of Assent of Directors. A director who is present at a meeting of the Board of Directors at which action is taken shall be presumed to have assented to the action taken unless such director's dissent shall be entered in the minutes of the meeting or unless such director shall file his written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to

the Secretary of WSHIP immediately after adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 3.13 Action by Directors Without a Meeting. Any action permitted or required to be taken at a meeting of the Board of Directors may be taken without a meeting if one or more written consents setting forth the action so taken, shall be signed, either before or after the action taken, by all the directors. Action taken by written consent is effective when the last director signs the consent, unless the consent specifies a later effective date. Copies of any written consent signed by all directors shall be distributed to all persons to whom minutes for meetings of the Board of Directors are distributed pursuant to Section 3.14 hereof.

Section 3.14 Minutes for Meetings of Directors. A written record of the proceeds of each meeting of the Board of Directors shall be made. Copies of such minutes shall be furnished to each director. Copies of such minutes shall also be provided to any member of WSHIP or any member of the public that files a written request with WSHIP's secretary.

Section 3.15 Resignation by Directors. Any director may resign at any time by delivering written notice to the Chair of the Board, the President, the Secretary, or the registered office of WSHIP, or by giving oral notice at any meeting of the directors. Any such resignation shall take effect at any subsequent time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.16 Director Vacancies. A vacancy on the Board of Directors may occur by the resignation or death of an existing director, or by reason of increasing the number of directors on the Board of Directors as provided in these Bylaws. Any vacancy occurring in the Board of Directors with respect to directors who were selected by the governor of the State of Washington pursuant to RCW 48.41.040 shall be filled by the governor pursuant to the same process specified by RCW 48.41.040 for the initial selection. A director appointed to fill such a vacancy shall be appointed for the unexpired term of his or her predecessor in office. Any vacancy occurring in the Board of Directors with respect to the directors elected by the members shall be filled by majority vote of the remaining directors who were elected by the members and such person shall serve until the next regularly scheduled election of directors. A director elected by the members at the next regularly scheduled election of directors to fill a vacancy shall serve for the unexpired term of the vacant position.

Section 3.17 Director Compensation. Directors shall serve without compensation. Directors may be reimbursed for the reasonable expenses incurred, if any, for attendance at meetings of the Board of Directors or committees thereof in accordance with RCW 43.03.050 and RCW 43.03.060.

ARTICLE IV BOARD COMMITTEES

Section 4.1 Procedures for Establishing Board Committees. The Board of Directors may by resolution designate from among the directors an executive committee and one or more other committees, each of which must have two (2) or more directors and, except as otherwise provided herein, shall be governed by the same rules regarding meetings, action without meetings,

notice and waiver of notice as applied to the Board of Directors. To the extent provided in such resolutions, each such committee shall have and may exercise the authority of the Board of Directors, except as limited by applicable law. The designation of any such committee and the delegation thereto of authority shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by law.

Section 4.2 Grievance Committee.

(a) Structure. The Board of Directors shall appoint a minimum of three (3) directors to serve on a Board Grievance Committee. The committee shall consist of one director each representing consumers, health carriers, and either business or agents. A representative from the Office of the Insurance Commissioner shall be a non-voting ex-officio member of the committee. The committee may interview the plan Administrator with respect to any appeal or grievance, but the Administrator will not take part in committee decisions.

(b) Scope of Activities. The committee will review and decide on the disposition of applicant and participant grievances submitted to Board of Directors and shall operate in accordance with the procedures adopted by the Board pursuant to Article VII hereof. At its discretion, the committee may engage independent medical and legal experts as deemed appropriate by the committee. The scope of the grievance committee's review shall not include the review of medical records and the rendering of direct decisions on the medical necessity or appropriateness of medical services. The scope of the grievance committee review shall be limited to a review of the appropriateness of the Administrator's decisions and actions in regard to medical review. Such review may include, but need not be limited to, documentation of adequate review by the Administrator's medical director or, when appropriate, by independent medical experts.

(c) Appeal of Committee Decisions. The decision of the committee shall be the final review of grievances by the Board of Directors. Certain decisions may be appealed to an independent review organization in accordance with the procedures adopted by the Board pursuant to Section Article VII hereof.

ARTICLE V OFFICERS AND EMPLOYEES

Section 5.1 Number. WSHIP shall have a President (who may be called, and is referred to herein as the "*Chair*"), and may have one or more Vice-Presidents (who may be called, and are referred to herein as the "*Vice Chairs*") a Secretary and a Treasurer, each of whom shall be appointed by the Board of Directors. Such other officers and assistant officers as may be deemed necessary or appropriate may be appointed by the Board of Directors, including an executive director. By resolution, the Board of Directors may designate any officer as chief executive officer, chief operating officer, chief financial officer, or any similar designation. Any two or more offices may be held by the same person, except for the offices of President and Secretary. Officers shall not be required to be directors.

Section 5.2 Appointment and Term of Office. The officers of WSHIP shall be appointed by the Board of Directors to serve for a one year term or such term as the board may deem advisable. Each officer shall hold office until a successor shall have been appointed

regardless of such officer's term of office, except in the event such officer resigns pursuant to Section 5.3 hereof or is removed pursuant to Section 5.4 hereof.

Section 5.3 Resignation. Any officer may resign at any time by delivering written notice to the Chair or Secretary, or by giving oral notice at any meeting of the board. Any such resignation shall take effect at any subsequent time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.4 Removal. Any officer appointed by the Board of Directors may be removed by the Board of Directors with or without cause by an affirmative vote of seven directors. The removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not of itself create contract rights.

Section 5.5 Chair. When present, the Chair shall preside at all meetings of the members and of the Board of Directors. The Chair may sign deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of WSHIP or shall be required by law to be otherwise signed or executed. In general, the Chair shall perform all duties incident to the office of the Chair and such other duties as may be prescribed by resolution of the Board of Directors from time to time.

Section 5.6 Vice-Chair. In the absence of the Chair or in the event of his or her death, disability or refusal to act, the Vice-Chair, or in the event there shall be more than one Vice-Chair, the Vice-Chairs in the order designated at the time of their election, or in the absence of any designation then in the order of their election, if any, shall perform the duties of the Chair. When so acting the Vice-Chair shall have all the powers of and be subject to all the restrictions upon the Chair and shall perform such other duties as from time to time may be assigned to the Vice-Chair by resolution of the Board of Directors.

Section 5.7 Secretary. The Secretary shall keep the minutes of the proceedings of the members and Board of Directors, shall give notices in accordance with the provisions of these bylaws and as required by law, shall be custodian of the records of WSHIP, shall keep a record of the names and addresses of all members, may sign with the Chair, or a Vice-Chair, deeds, mortgages, bonds, contracts, or other instruments which shall have been authorized by resolution of the Board of Directors, and in general shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by resolution of the Board of Directors.

Section 5.8 Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties, in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for keeping correct and complete books and records of account, for all funds and securities of WSHIP, receive and give receipts for moneys due and payable to WSHIP from any source whatsoever, deposit all such moneys in the name of WSHIP in the banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws, and in

general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by resolution of the Board of Directors.

Section 5.9 Executive Director. The Executive Director shall be the chief executive officer of WSHIP and, subject to the control of the Board of Directors, shall generally supervise and control the administrative business and affairs of WSHIP. The Executive Director may sign deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of WSHIP or shall be required by law to be otherwise signed or executed. In general, the Executive Director shall perform all duties incident to office of and such other duties as may be prescribed by resolution of the Board of Directors from time to time.

Section 5.10 Assistant Officers. The assistant officers in general shall perform such duties as are customary or as shall be assigned to them by resolution of the Board of Directors. If required by the Board of Directors, the assistant Treasurers shall respectively give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

Section 5.11 Employees and Compensation. The Board of Directors may establish such positions of employment as it deems desirable and shall fix the salaries and other compensation for such positions.

ARTICLE VI ADMINISTRATOR

The Board of Directors shall select an administrator for the pool operated by WSHIP through the process established under the Washington State Health Insurance Coverage Access Act. The administrator shall perform the duties specified in the Act and such other duties as assigned by the Board of Directors. In performing such duties, the Administrator shall comply with all provisions of applicable law including the applicable requirements of chapter 284.30 of the Washington Administrative Code. Subject to the Board of Director's review and approval, the administrator shall develop a program to publicize the plan's existence and describe the eligibility requirements and procedures for enrollment.

ARTICLE VII GRIEVANCE PROCEDURE FOR APPLICANTS AND PARTICIPANTS

The Board of Directors shall establish procedures under which applicants and participants may have grievances reviewed. Such procedures shall not be effective until they have been submitted to the Washington State Office of Insurance Commissioner and approved in compliance with the requirements of RCW 48.41.040.

ARTICLE VIII CONFLICTS OF INTEREST

The purpose of the conflicts of interest policy is to protect WSHIP's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of WSHIP. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to directors and officers of WSHIP.

Section 8.1 Definitions.

(a) Interested Person. Any director, principal officer, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family: (a) an ownership or investment interest in any entity with which WSHIP has a transaction or arrangement, or (b) a compensation arrangement with WSHIP or with any entity or individual with which WSHIP has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which WSHIP is negotiating a transaction or arrangement. "Compensation" includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 8.2 Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest. The Chair of the board or the chair of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the board or committee shall determine whether WSHIP can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in WSHIP's best interest and for its own benefit and whether the transaction is fair and reasonable to WSHIP and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violations of the Conflicts of Interest Provisions. If the board or committee has reasonable cause to believe that one or more of its members has failed to disclose actual or possible conflicts of interest, it shall inform the member or members of the basis for such belief and afford the member or members of an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member or members and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member or members has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 8.3 Record of Proceedings. The minutes of the board and all committees with board-delegated powers shall contain (a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Section 8.4 Compensation Committees. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from WSHIP for services is precluded from voting on matters pertaining to that member's compensation.

Section 8.5 Statement of Compliance. Each director, principal officer and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person (a) has received a copy of the conflicts of interest policy; (b) has read and understands the policy; (c) has agreed to comply with the policy; and (d) understands that WSHIP is a tax-exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 8.6 Periodic Reviews. To ensure that WSHIP operates in a manner consistent with its tax-exempt purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted of its activities to ensure compliance with the applicable requirements.

ARTICLE IX FINANCIAL RECORDS, CONTRACTS, LOANS, CHECKS, DEPOSITS

Section 9.1 Financial Records and Audit. The Board of Directors shall require WSHIP to maintain records of WSHIP's financial transactions and an accounting of WSHIP's assets. WSHIP shall cause to be conducted an annual financial audit of WSHIP by independent certified public accountants selected by the Board of Directors. The cost of such audit shall be borne by WSHIP. The Board of Directors shall submit, no later than 120 days after the end of its fiscal year, a financial report of the preceding year, including a copy of the financial audit, to the Insurance Commissioner in a form approved by the Insurance Commissioner.

Section 9.2 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of WSHIP, and that authority may be general or confined to specific instances.

Section 9.3 Loans. No loans shall be contracted on behalf of WSHIP and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors, which authority may be general.

Section 9.4 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of WSHIP shall be signed by the officer or officers, or agent or agents, of WSHIP and in the manner as shall from time to time be prescribed by resolution of the Board of Directors.

Section 9.5 Deposits. All funds of WSHIP not otherwise employed shall be deposited from time to time to the credit of WSHIP in the banks, trust companies or other depositories as the Board of Directors may select.

Section 9.6 Loans to Members, Directors and Officers. No loans shall be made by WSHIP to any member, director or officer.

ARTICLE X RULES OF PROCEDURE

The rules of procedure at meetings of the board, meetings of the members and committee meetings shall be the rules contained in Roberts' Rules of Order on Parliamentary Procedure, as amended, so far as applicable and when not inconsistent with these bylaws, the articles of organization or any resolution of the board.

ARTICLE XI BOOKS AND RECORDS

WSHIP shall keep correct and complete books and records of account, minutes of the proceedings of its members, the Board of Directors and any committees designated by the Board of Directors, and such other records as may be necessary or advisable.

ARTICLE XII FISCAL YEAR

The fiscal year of WSHIP shall be from January 1 to December 31 or such other fiscal year as may be determined by resolution adopted by the Board of Directors.

ARTICLE XIII COPIES OF RESOLUTIONS

Any person dealing with WSHIP may rely upon a copy of any of the records of the proceedings, resolutions or votes of the board when such records are certified by the President or Secretary.

ARTICLE XIV AMENDMENTS TO BYLAWS

These bylaws may be altered, amended or repealed, and new bylaws may be adopted, by an affirmative vote of seven directors present at any annual, regular or special meeting, unless there are two or more governor-appointed positions vacant, in which case the affirmative vote of a majority of directors present at any annual, regular or special meeting at which a quorum of six directors including at least three governor-appointed directors shall be required. Provided that a minimum of ten days' written notice is given to each director of the intention to alter, amend, repeal or adopt new bylaws. No such alteration, amendment, repeal or adoption of new bylaws shall be effective until they have been submitted to the Washington State Office of Insurance Commissioner and approved in compliance with the requirements of RCW 48.41.040.

The undersigned, being the Secretary of WSHIP, hereby certifies that these Amended and Restated Bylaws are the bylaws of Washington State Health Insurance Pool, adopted by resolution of the directors on September 5, 2005, 2002, approved by the Insurance Commissioner on March 5, 2003, amended by resolution of the board of directors adopted at a meeting on January 8, 2020, and approved by the Insurance Commissioner on January 27, 2020.

DATED this 26th day of May, 2020.


Secretary Alison Mond

Signed: 
Mike Kreidler
Insurance Commissioner

Date: June 29, 2020

Amended and Restated Bylaws, adopted January 8, 2020
Approved by the Insurance Commissioner January 27, 2020.

OPERATING RULES
OF
WASHINGTON STATE HEALTH INSURANCE POOL

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SECTION 1. Public Participation in Activities of the Board of Directors

1.1 General

The Board of Directors (the “Board”) of the Washington State Health Insurance Pool (“WSHIP”) recognizes that its decisions can have a financial and personal effect on a broad range of individuals and businesses. Public observation of and comment on the Board’s actions is encouraged by the Board, subject to the Board’s need to address certain matters privately.

1.2 Method of Communication

(a) Written public comment may be sent, faxed or emailed to WSHIP’s executive director or administrator. The executive director will distribute all such comments to all members of the Board. Communication regarding a grievance filed by an applicant or participant will be forwarded to WSHIP’s grievance committee.

(b) Time will be allowed at each meeting of the Board for public comment subject to rules of order. If a meeting is interrupted by a person or group of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of the persons interrupting the meeting, the Board may order the meeting room cleared and continue in session or may adjourn the meeting and reconvene at another location selected by majority vote of the Board. In such a session, final disposition may be taken only on matters appearing on the agenda. The Board may establish a procedure for readmitting an individual or individuals not responsible for disturbing the orderly conduct of the meeting. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any meeting of the Board.

1.3 Notice of Meetings and Agenda

Advance notice of regular and special meetings of the Board will be made available to the public in compliance with Section 3.6 of WSHIP’s bylaws.

1.4 Meetings

Each Board meeting will be open to the public and held in a place accessible to the general public. At its discretion, the Board may conduct a portion of its meeting in closed executive session for discussion of matters relating to personnel, contract negotiations, proprietary information, personal information regarding applicants and participants, litigation or threatened litigation and other matters when the Board determines in its discretion that public knowledge regarding the discussion may result in an adverse financial or legal consequence to WSHIP. Before convening in executive session, the presiding officer of the Board shall publicly announce the purpose for excluding the public from the meeting place and the time when the executive session is expected to conclude. Subject to the exceptions noted above, substantive decisions of the Board will be made public through distribution of minutes of Board meetings.

Only members of the Board of Directors will vote on issues brought before the Board. No secret ballots will occur at meetings open to the public. Except as permitted by WSHIP's bylaws or the provisions of this policy, no decisions of the Board will be adopted except in a meeting open to the public and then only at a meeting of which notice has been given according to the provisions above.

1.5 Distribution of Minutes and Written Consents

Minutes of each Board meeting and any written consents signed by the Board will be distributed by email to the following persons:

- (a) Attendees at the Board meeting (provided that an email address has been provided to WSHIP's executive director);
- (b) Persons on the agenda email list; and
- (c) Other persons who file a written request with WSHIP's executive director.

Hard copies of minutes and written consents will be sent by mail to persons who file a written request with WSHIP's executive director.

SECTION 2. Appeals by Applicants and Participants

2.1 General

(a) Any applicant for individual health coverage from a carrier who believes that the carrier erred in its scoring or administration of the Standard Health Questionnaire ("SHQ") may request review by WSHIP if the applicant has exhausted his or her appeal rights directly to the carrier. WSHIP's review will be limited to whether the carrier correctly applied the scoring tool for the SHQ and whether the carrier's notice of rejection for coverage was provided within fifteen business days of the carrier's receipt of the completed application. Such review will follow the internal two-step procedure below, but will not entail external review by an Independent Review Organization ("IRO"). If WSHIP determines that the carrier erred, WSHIP will notify the carrier of its review and recommendation.

(b) Any WSHIP applicant or participant who is aggrieved by an action or decision of WSHIP may pursue up to three levels of appeals. The first two levels are internal, first to WSHIP's administrator and second to the WSHIP's grievance committee. The third level of appeal is external and may be made to a designated IRO. IRO review is available only for appeals of decisions relating to the denial, modification, reduction or termination of coverage of or payment for health care services. A person may appeal to the IRO only after completion of WSHIP's internal review process.

2.2 Internal Process

- (a) Appeal to WSHIP's Administrator

(i) The person, or his or her authorized representative, must notify WSHIP's administrator of his or her request for appeal within 90 days of the event giving rise to the appeal. If the complaint concerns a carrier's application of the SHQ scoring tool, the person should include his or her completed SHQ and the carrier's scoring, if available.

(ii) Within five business days, the WSHIP's administrator will respond to the person in writing confirming receipt of the appeal request, the date it was received, the nature of the complaint and the resolution requested.

(iii) WSHIP's administrator will investigate the complaint, considering all information submitted by the person, and make its decision within 30 days of receipt of the complete information needed to respond to the appeal.

(iv) WSHIP's administrator will notify the person of its decision in writing and inform the person of any further appeal options. The written notice will explain the decision and any supporting coverage or clinical reasons and will specifically refer to any supporting documents. If WSHIP's administrator fails to make its decision within 30 days of its receipt of the complete information needed to respond to the appeal, such failure is deemed to be an adverse decision and the person may appeal to the next level.

(v) If the complaint concerns the carrier's application of the SHQ scoring tool or the timing of the notice of rejection and WSHIP's administrator determines that the carrier erred, WSHIP's administrator will also forward its written decision to the carrier and recommend that the carrier take appropriate action.

(vi) If a complaint involves denial of coverage of a service, and the person provides written notice to WSHIP's administrator of a need for a speedy appeal process because the regular appeals process timelines could seriously jeopardize the person's life, health, or ability to regain maximum function, WSHIP's administrator will provide its written decision within 72 hours of receipt of the appeal request.

(b) Appeal to WSHIP's Grievance Committee

(i) The person, or his or her authorized representative, must notify WSHIP's administrator of his or her request for appeal to WSHIP's grievance committee within 90 days of an adverse decision by WSHIP's administrator and include a written description of the complaint.

(ii) Within five business days, WSHIP's administrator will respond to the person in writing confirming receipt of the appeal request, the date it was received, the nature of the complaint and the resolution requested. Within two business days of sending this notice, WSHIP's administrator will forward the appeal, with all relevant information from its files, to the WSHIP's grievance committee.

(iii) WSHIP's grievance committee will investigate the complaint, considering all information submitted by the person, and make its decision within 30 days of its receipt of the complete information needed to respond to the appeal. The grievance committee may engage independent medical and legal experts to assist in the review process.

(iv) WSHIP's grievance committee will notify the person of its decision in writing and inform the person of any further appeal options. The written notice will explain the decision and any supporting coverage or clinical reasons and will specifically refer to any supporting documents. If WSHIP's grievance committee fails to make its decision within 30 days of its receipt of the complete information needed to respond to the appeal, such failure is deemed to be an adverse decision and the person may appeal to the next level.

(v) If the complaint concerns the carrier's application of the SHQ scoring tool or the timing of the notice of rejection and WSHIP's grievance committee determines that the carrier erred, the grievance committee will also forward its written decision to the carrier and recommend that the carrier take appropriate action.

(vi) If a complaint involves denial of coverage of a service, and the person provides written notice to WSHIP's administrator of a need for a speedy appeal process because the regular appeals process timelines could seriously jeopardize the person's life, health, or ability to regain maximum function, WSHIP's grievance committee will provide its written decision within 72 hours of its receipt of the appeal request.

2.3 External Process

(a) If the WSHIP's grievance committee affirms a decision to deny, modify, reduce, or terminate coverage of or payment for health services, the person may appeal the decision to an IRO by notifying the WSHIP's administrator within 30 days of receipt of the grievance committee's written decision.

(b) The WSHIP's administrator will gather all relevant documents and deliver them to the IRO within three business days of receiving the person's request for appeal.

(c) The IRO, made up of persons not associated with WSHIP, will review the complaint and make a decision. The IRO will provide its decision in writing to the person and WSHIP within 20 days of the person's request for appeal. WSHIP will pay the charges for the IRO's review and written report.

2.4 Enrollment and Services During Appeal Process

(a) A person denied enrollment by a carrier based on his or her SHQ results may apply for coverage under WSHIP while a review is in progress.

(b) If the complaint is from a WSHIP enrollee contesting a coverage decision and such decision was based on a finding of no medical necessity, WSHIP will continue to provide the service until the appeal is completed. Upon completion of the appeal process, if

WSHIP continued to provide the service in question and it is determined that the coverage was properly denied, WSHIP may charge the enrollee for the cost of the services provided.

SECTION 3. Public Information Regarding WSHIP Coverage

The Board and WSHIP's administrator shall take reasonable action to publicize the availability of WSHIP benefits. WSHIP's administrator shall prepare a brochure outlining the benefits and exclusions of WSHIP's insurance coverage in plain language. After approval by the Board, such brochure shall be made reasonably available to participants and applicants. The brochure shall also be made available to WSHIP's members. A copy of the brochure will be provided to all applicants rejected for individual coverage as a result of review under the health questionnaire screening form required by Chapter 48.43 RCW. WSHIP's administrator will develop and, subject to prior approval by the Board, implement a program of public information regarding the availability, features and methods of obtaining information regarding WSHIP and its insurance coverage.

Signed: _____

Mike Kreidler
Insurance Commissioner

Date: _____