
**Health Care & Wellness
Committee**

HB 1490

Brief Description: Requiring the department of social and health services to submit a consumer-directed medicaid coverage plan.

Sponsors: Representatives Hinkle, Cody, Moeller, Linville, Wood and Dunn.

Brief Summary of Bill

- The Department of Social and Health Services will request federal approval to operate a demonstration program that delivers Medicaid services through a health opportunity account.

Hearing Date: 2/12/07

Staff: Dave Knutson (786-7146).

Background:

The Deficit Reduction Act of 2005 allows states to redesign their Medicaid programs, creating more flexibility in benefit and cost-sharing designs and giving enrollees more opportunity to decide how they use their health-care benefits. One of these changes permits states to deliver health benefits through a health opportunity account in conjunction with a high deductible health plan. These accounts - similar to the medical savings accounts used in private insurance coverage - may encourage Medicaid enrollees to assume greater responsibility for their own health care. Medicaid clients enrolled in this program will be able to make decisions about their own health care by choosing how to spend the money in their account. If they exhaust the account, their coverage reverts to regular Medicaid. But enrollees will have an incentive to keep an unspent portion in the account - because they can use that money for training, tuition or private insurance premiums when they are no longer on Medicaid. Overall, the accounts are aimed at helping clients make more appropriate and cost-efficient decisions on health care.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Department of Social and Health Services is required to submit a Medicaid state plan amendment to operate a demonstration program to test delivering Medicaid services through a health opportunity account. The program will be limited to individuals eligible to receive transitional medical assistance.

Appropriation: None.

Fiscal Note: Requested on February 9, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.