

# HOUSE BILL REPORT

## SSB 5777

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### As Passed House - Amended:

April 14, 2009

**Title:** An act relating to the Washington state health insurance pool.

**Brief Description:** Concerning the Washington state insurance pool.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Murray and Parlette).

### Brief History:

#### Committee Activity:

Health Care & Wellness: 3/20/09, 3/26/09 [DPA].

#### Floor Activity

Passed House - Amended: 4/14/09, 96-0.

### Brief Summary of Substitute Bill (As Amended by House)

- Directs the Board of the Washington State Health Insurance Pool (WSHIP) to conduct a study of sustainable funding sources for WSHIP operations.
- Extends the length of time between Standard Health Questionnaire recertifications from 18 to 36 months.

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## HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass as amended. Signed by 13 members: Representatives Cody, Chair; Driscoll, Vice Chair; Ericksen, Ranking Minority Member; Bailey, Campbell, Clibborn, Green, Herrera, Hinkle, Kelley, Moeller, Morrell and Pedersen.

**Staff:** Dave Knutson (786-7146)

### Background:

In the individual health insurance market a person applying for coverage must first take the Standard Health Questionnaire (SHQ). If their score places them in the 8 percent of highest-cost cases the health carrier may reject them for coverage. At that point the person is eligible

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for coverage through the Washington State Health Insurance Pool (WSHIP). The Board of the WSHIP is required to recertify the SHQ every 18 months to ensure it continues to identify the 8 percent of highest-cost cases. The cost of providing WSHIP coverage is paid for by an assessment on insurance companies operating in Washington. There are limited public funds available to help make WSHIP premiums affordable for enrollees.

**Summary of Amended Bill:**

The Board of the WSHIP (Board) will recertify the SHQ every 36 months rather than every 18 months. Eligibility for the program is modified for a Medicare-eligible person applying for WSHIP coverage after August 1, 2009.

The Board must conduct a study to identify a stable, sustainable funding source for the operation of the WSHIP. The Board is authorized to solicit funding to conduct the study and must report to the Legislature by December 15, 2009.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) Coverage through the WSHIP is very expensive and a permanent, stable funding source needs to be found to make WSHIP premiums affordable. Sometimes a person would be better off taking health coverage through a Medicare Advantage plan than through the WSHIP. The SHQ is doing a good job of identifying the 8 percent of highest-cost cases and does not need to be recertified every 18 months.

(Concerns) Congress may eliminate or severely scale back the Medicare Advantage program. The change in WSHIP eligibility should be made.

(Opposed) None.

**Persons Testifying:** (In support) Matthew Damon and Karen Larson, Washington State Health Insurance Pool; and Ingrid McDonald, American Association of Retired Persons.

(Concerns) Mary Clogston, Office of the Insurance Commissioner.

**Persons Signed In To Testify But Not Testifying:** None.