

# SENATE BILL REPORT

## HB 2117

---

As Reported by Senate Committee On:  
Health & Long-Term Care, March 23, 2009

**Title:** An act relating to the basic health plan.

**Brief Description:** Modifying the basic health plan.

**Sponsors:** Representatives Cody, Morrell, Kenney and Conway.

**Brief History:** Passed House: 3/05/09, 93-4.

**Committee Activity:** Health & Long-Term Care: 3/19/09, 3/23/09 [DPA-WM, DNP].

---

### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.  
Signed by Senators Keiser, Chair; Franklin, Vice Chair; Fairley, Marr and Murray.

**Minority Report:** Do not pass.  
Signed by Senators Pflug, Ranking Minority Member; Becker and Parlette.

**Staff:** Mich'l Needham (786-7442)

**Background:** The Basic Health program is a state-sponsored program providing low-cost health care coverage through private health plans. The program is available for Washington State residents who have family incomes below 200 percent of federal poverty level; are not eligible for free or purchased Medicare; are not institutionalized at the time of enrollment; and are not attending school full-time in the United States on a student visa. Foster parents with family incomes below 300 percent of the federal poverty level are eligible for the subsidized program as well. The program also includes a health coverage tax credit program, linked to the Federal Trade Act of 2002, for enrollees that may be eligible for certain trade adjustment assistance benefits.

**Summary of Bill (Recommended Amendments):** A new category of the Basic Health enrollee called an "economic recovery enrollee" is established as a nonsubsidized program. To qualify, the enrollee must become involuntarily unemployed on or after September 1, 2008, and be receiving unemployment compensation benefits. Individuals must complete the standard health questionnaire used in the individual insurance market unless they have

---

*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.*

completed at least 24 months of continuous group coverage and apply within 90 days of the qualifying event that resulted in the loss of coverage.

Health insurance carriers that offer the subsidized Basic Health program must also offer the nonsubsidized program for economic recovery enrollees and health coverage tax credit enrollees. The claims experience of all enrollees must be pooled.

The act is effective January 1, 2010, and is null and void if not funded in the appropriations act.

**EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended Amendments):** The definition of economic recovery enrollee is modified to those that are receiving unemployment under Title 50 RCW, and references to spouse and dependent children are made consistent with other Basic Health eligibility language. The economic recovery enrollee must complete the standard health questionnaire used for the individual market unless the individual has completed 24 months of continuous group coverage and applies within 90 days of their qualifying event. The act is effective January 1, 2010, and is null and void if not funded in the appropriations act.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony (on Original Bill):** PRO: This is intended to help unemployed workers to ensure they have access to health care coverage when they lose their jobs. The program is nonsubsidized but may provide a cheaper alternative than COBRA coverage.

**Persons Testifying:** PRO: Representative Cody, prime sponsor.