

SENATE BILL REPORT

SB 6523

As of January 26, 2010

Title: An act relating to the apple health community care demonstration waiver.

Brief Description: Concerning the apple health community care demonstration waiver.

Sponsors: Senators Pflug, Becker, Parlette, Stevens, Swecker, Schoesler and Hewitt.

Brief History:

Committee Activity: Health & Long-Term Care: 1/25/10.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Mich'l Needham (786-7442)

Background: Legislation passed in 2009 directed the Department of Social and Health Services (DSHS) to submit a waiver to the federal Department of Health and Human Services (HHS) to expand and revise the Medicaid Medical Assistance program, with the goal of establishing a single eligibility standard for low-income persons, phasing in with incremental steps to cover those with household income at or below 200 percent of the federal poverty level. A waiver application should explore the possibility of a core benefit package that may be similar to the Basic Health program or an alternative package approved by the Secretary of HHS.

DSHS has been exploring options for waiver requests, and following the developments in the federal health reform bills passed by the House and Senate. Both bills propose to expand Medicaid programs to higher income levels and include adults not currently eligible, and the bill passed by the Senate includes an opportunity for states to begin the Medicaid expansion in 2010. Both bills also include proposals to set up health insurance exchanges that allow individuals and small groups to buy private insurance with a sliding scale subsidy. Final legislation has not been passed onto the President.

Summary of Bill: The 2009 legislation directing DSHS to submit a waiver to the federal HHS is modified to include additional waiver requests that conform with the national health insurance reform developments. DSHS is directed to explore a waiver with explicit flexibility to merge the Medicaid population with an insurance exchange if one is established in Washington State prior to January 1, 2015. The waiver must explore a common benefit

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package that may be similar to Basic Health, or the availability of at least one insurance plan through the exchange that is actuarially equivalent to the Basic Health benefit package.

The waiver must explore a premium assistance program through an insurance exchange regardless of employee eligibility for subsidies or other state coverage assistance. The waiver must include a detailed plan for the inclusion of the categorically eligible medical assistance population in the exchange. DSHS must construct the waiver around the conceptual framework of an exchange that would serve any newly subsidized population not otherwise eligible for medical assistance, as well as the current and expanded medical assistance populations, so as to provide streamlined, seamless coverage to subsidized and nonsubsidized populations in a competitive health insurance exchange. The new program must be known as the Apple Health Community Care Program.

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: PRO: There is some possibility that the federal health reform bills will result in additional funds that can help prop up our safety net, but they will not be enough to make it sustainable and high quality. A waiver could move us to a more unified safety net and away from the tiered approach we have now, and merge together into one system for everyone.

OTHER: We are interested in a seamless approach that has financing of programs behind the scenes, much like the Apple Health Program for Kids that is successfully combining the programs for kids. This idea is thought provoking, however those who've been thinking about approaches like this have decided to delay, including Massachusetts and the federal health bills. They have delayed the transition of Medicaid populations into the Exchange until some barriers are removed and we are sure an Exchange is viable and able to deliver care effectively for the low-income populations. The categorically needy Medicaid coverage includes different bundled services than are available through traditional insurance, such as transportation and translation assistance. It will be interesting to explore whether bundled services can be available through an Exchange.

Persons Testifying: PRO: Senator Pflug, prime sponsor.

OTHER: Kate White Tudor, Washington Association of Community and Migrant Health Centers, Healthy Washington Coalition, and Health Coalition for Children and Youth.