

FINAL BILL REPORT

SHB 1560

C 287 L 11
Synopsis as Enacted

Brief Description: Concerning the health insurance partnership.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Cody and Jinkins).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background:

The Health Care Authority administers the Health Insurance Partnership (HIP). The HIP offers premium subsidies to the employees of small employers who employ mostly low-wage workers. Specifically, the small employer must: (1) not currently offer insurance benefits; (2) have no more than 50 employees; and (3) have at least half of its workforce comprised of low-wage workers. To participate in the HIP, the small employer must enroll at least 75 percent of its employees and contribute at least 40 percent of the cost of premiums. In addition, the employer must establish a cafeteria plan that allows employees to use pretax dollars to pay their share of the health benefit plan premium. Employees of participating small employers may be eligible for a subsidy for their portion of the premiums if they are Washington residents and they have a family income that is less than 200 percent of the federal poverty level. Subsidies are to be based upon a sliding scale depending on income.

The law creating the HIP was enacted in 2007, and the HIP was originally due to begin accepting applications on January 1, 2009. In 2009 the program was suspended until January 1, 2011, subject to available funding. In August 2009, the federal government approved a five-year grant to the Health Care Authority, through the Office of Financial Management, which would begin funding subsidies from January 1, 2011, through 2014. Enrollment in the plan began on September 1, 2010, and coverage began on January 1, 2011.

Summary:

The eligibility requirement for the Health Insurance Partnership (HIP) that a small employer must not currently offer health insurance is expanded to also require that the small employer not have offered insurance for the previous six months. The requirement for participation in

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the HIP that a small employer establish a cafeteria plan that allows employees to use pretax dollars for health benefit plan premiums is eliminated.

It is clarified that funding for the HIP may come from federal sources.

Votes on Final Passage:

House	56	41	
Senate	31	18	(Senate amended)
House	56	42	(House concurred)

Effective: July 22, 2011