

HOUSE BILL REPORT

HB 1028

As Reported By House Committee On:

Health Care

Title: An act relating to extending the implementation phase of the health services act of 1993.

Brief Description: Delaying implementation of the health services act.

Sponsors: Representatives Dyer, Carlson, Benton, Kremen, Cooke, Horn, Schoesler, Thompson, Beeksma, B. Thomas, Goldsmith, Radcliff, Hickel, Chandler, Mastin, Mitchell, Grant, Robertson, Foreman, Sehlin, Blanton, Koster, Clements, Sheldon, Huff, Mielke, Talcott and Lisk.

Brief History:

Committee Activity:

Health Care: 1/26/95, 1/27/95 [DPS].

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Dyer, Chair; Backlund, Vice Chair; Hymes, Vice Chair; Casada; Crouse; Morris; Sherstad and Skinner.

Minority Report: Do not pass. Signed by 3 members: Representatives Dellwo, Ranking Minority Member; Cody, Assistant Ranking Minority Member; and Conway.

Staff: Bill Hagens (786-7131).

Background: The Washington Health Services Act was enacted into law in 1993 and includes the following elements: Universal access by 1999; employer/individual mandates; a uniform set of health services, including the Uniform Benefits Package and population-based public health services; assistance for low-income persons through the Basic Health Plan and Medicaid expansion; reformed insuring entities [Certified Health Plans] and health purchasing insurance cooperatives; capitated-managed care; a maximum premium; a state-wide health data system; and a full-time commission.

To support reforms, taxes were levied upon tobacco, alcohol, hospitals and certified health plans to be deposited in the health services account. Such tax rates are accelerated over the next four years.

Except for certain insurance reforms that became effective in 1994, i.e. portability, guaranteed renewability, and preexisting conditions limitation, most of the major provisions, including those affecting the uniform benefits package and certified health plans, take effect July 1, 1995.

The proponents of this measure feel that more time is necessary to consider health care reform before it takes effect and that the increase in taxes supporting the health services should be delayed accordingly.

Summary of Substitute Bill: All effective dates not presently in effect are delayed one year, except for the school employee benefit merger with the Health Care Authority, which is delayed from October 1, 1996, to January 1, 1997, the workers' compensation study completion, which is delayed until January 1, 1996, and the worker compensation pilot project study, which is delayed until January 1, 1997. The second phase of the taxes on alcohol and tobacco has been delayed until July 1, 1996, which is estimated to reduce funds available in the health services account from \$503.6 million to \$434.2 million for the 1995-97 biennium.

Substitute Bill Compared to Original Bill: Intent section, and delays in school employee merger, workers' compensation studies, and taxes are added.

Appropriation: None.

Fiscal Note: Requested on January 23, 1995.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately, except for section 18 which takes effect July 1, 1995.

Testimony For: All these delays are needed to give the Legislature adequate time to deliberate reforms.

Testimony Against: The delay in taxes is unnecessary since most of the funds are allocated for expanded subsidization of health access, which is not being considered for delay.

Testified: Dick Ducharme, Washington Beer and Wine Wholesalers (pro); and Tammy Warnke, Distilled Spirits Council of the U.S. (pro).