

HOUSE BILL REPORT

ESSB 5386

As Reported By House Committee On:

Health Care
Appropriations

Title: An act relating to the basic health plan.

Brief Description: Modifying provision of the basic health plan.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Quigley, Franklin, C. Anderson and Wojahn; by request of Health Care Authority).

Brief History:

Committee Activity:

Health Care: 3/28/95, 3/31/95 [DPA];
Appropriations: 4/3/95 [DPA(HC)].

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass as amended. Signed by 9 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Hymes, Vice Chairman; Campbell; Casada; Conway; Crouse; Sherstad and Skinner.

Minority Report: Without recommendation. Signed by 3 members: Representatives Cody, Assistant Ranking Minority Member; Kessler and Morris.

Staff: Bill Hagens (786-7131).

Background: The Basic Health Plan (BHP) is a state-funded health insurance program that offers subsidized coverage for individuals whose incomes are below 200 percent of the federal poverty level (approximately \$30,000 for a family of four). In addition, unsubsidized enrollment is available for any individual, family or group in the state. The BHP offers coverage for hospital, outpatient and related health services with no deductible and modest co-payments.

The BHP is administered by the Health Care Authority (HCA) which contracts with more than a dozen privately owned and operated managed care health plans. The Health Care Authority has identified several provisions within the authorizing legislation as barriers to more efficient and effective implementation and use of the

BHP. In addition, the Washington Health Services Act of 1993 required that the services insured by the BHP must equal the uniform benefits package adopted by the Health Services Commission in July 1995. This legislation, requested by HCA, is intended to remove barriers to more effective implementation of the BHP, and to modify the dates of its transition to the uniform benefits package to comport with delayed implementation of health reform as recommended by the Health Services Commission.

Summary of Amended Bill: A goal for the enrollment of the BHP is established at 100,000 adults and 100,000 children through an expanded state Medical Assistance program by June 30, 1997.

Chiropractic services are covered under the BHP.

BHP enrollees must pay a \$10 monthly premium share.

Reference to the adoption by the Health Care Commission of the Uniform Benefits package is deleted.

Copayments, deductibles, and other cost-sharing mechanisms may be utilized to discourage inappropriate utilization of health care services. The goal of making the copayment structure consistent with cost-sharing levels adopted by the commission is deleted.

The level of subsidy to enrollees may be based on the lowest cost plans, but is not required.

Determinations of enrollee eligibility may be determined on a reasonable schedule, and no longer strictly semi-annually.

A business owner is no longer required to pay at least 50 percent of the premium cost, but an amount equal to what the employee pays after the state pays its portion of the subsidized premium cost.

Health care carriers, hospitals, rural health care facilities, and community and migrant health centers may assist patients and families in applying for the BHP or Medical Assistance. Insurance agents and brokers also may, without remuneration, assist patient and families in applying for the BHP or Medical Assistance.

The reference of a managed health care system as a certified health plan is deleted.

No individual health care provider, health carrier or facility may be required to participate in the provision or payment of a specific service on the basis of conscience

or religion. No individual or organization may be required to purchase a service for reasons of conscience or religion.

The requirement of the BHP administrator to use the premium pricing structure used by the plan on January 1, 1993, is repealed.

Amended Bill Compared to Engrossed Substitute Bill: Reduces enrollment from 500,000 persons to 200,000 persons. Adds chiropractic services. Requires a \$10 enrollee monthly premium. Allows a business owner to pay an amount equal to the enrollee instead of 33 percent of the premium. Allows entities to assist patients in applying for the BHP. Deletes requirement for the BHP to contract with certified health plans. Adds conscience clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect on July 1, 1995.

Testimony For: The bill is needed to adjust the Basic Health Plan to changes in health reform and to lower the barriers to employer sponsorships of the Basic Health Plan.

Testimony Against: None.

Testified: Margaret Stanley, Health Care Authority; Steve Wehrly, Washington State Chiropractic Association; Ken Bertrand, Group Health; and Randy Ray, Washington Association of Temporary Services and Northwest Health Alliance.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Health Care. Signed by 20 members: Representatives Silver, Chairman; Clements, Vice Chairman; Huff, Vice Chairman; Pelesky, Vice Chairman; Brumsickle; Carlson; Chappell; Cooke; Crouse; Foreman; Grant; Hargrove; Hickel; Lambert; Lisk; McMorris; Reams; Sehlin; Sheahan and Talcott.

Minority Report: Do not pass. Signed by 10 members: Representatives Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Dellwo; G. Fisher; Jacobsen; Poulsen; Rust; Thibaudeau and Wolfe.

Staff: Jim Lux (786-7152).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Health Care: No new changes were recommended.

Appropriation: None.

Fiscal Note: Requested on March 31, 1995.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 1995.

Testimony For: None.

Testimony Against: None.

Testified: None.