

# SENATE BILL REPORT

## SB 5419

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 9, 1995

**Title:** An act relating to federal financial participation related to health insurer's and children's health care.

**Brief Description:** Modifying federal financial participation related to health insurer's and children's health care.

**Sponsors:** Senators Fairley and Quigley; by request of Department of Social and Health Services.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 1/31/95, 2/9/95 [DPS].

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

**Majority Report:** That Substitute Senate Bill No. 5419 be substituted therefor, and the substitute bill do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; C. Anderson, Deccio, Fairley, Franklin, Moyer, Winsley and Wood.

**Staff:** Joanne Conrad (786-7472)

**Background:** Federal law (OBRA 93) requires certain insurance coverage standards for Medicaid-eligible persons, and children covered by medical child support orders. Under this federal law, the state's Medicaid program, administered by the Department of Social and Health Services (DSHS), faces potential federal fiscal sanctions if it does not comply with federal requirements. Therefore, DSHS and the Office of the Insurance Commissioner have requested changes to state law.

**Summary of Substitute Bill:** Insurers, as specified, cannot deny health plan enrollment of a child under the health care coverage of the child's parent on the grounds that the child is receiving Medicaid benefits, or is illegitimate, or was not claimed as a dependent on the parent's federal income tax return, or does not reside with the parent or in the insurer's service area.

Disenrollment of the child is not permitted except in specified circumstances, and insurers are prohibited from taking Medicaid status into account in approving enrollment or in payment of benefits. Coordination of benefits with Medicaid is required, as is the coverage of adoptive children, and the continuation of childhood immunization benefits.

**Substitute Bill Compared to Original Bill:** Responsibility for out-of-service-area coverage is clarified. Specification of subrogation right is deleted. Technical changes are included.

**Appropriation:** None.

**Fiscal Note:** Requested on January 24, 1995.

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

**Testimony For:** Statutory changes are needed to comply with federal law (OBRA 93), or else federal funding may be lost.

**Testimony Against:** None.

**Testified:** PRO: Melodie Bankers, Office of the Insurance Commissioner; Jane Beyer, Meg Sollenberger, DSHS; Ken Bertrand, Group Health; Diane Stollenwerk, Providence Health Systems.