

HOUSE BILL REPORT

SHB 2279

As Passed Legislature

Title: An act relating to the basic health plan.

Brief Description: Revising the basic health plan.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Huff and Backlund).

Brief History:

Committee Activity:

Appropriations: 4/5/97 [DPS].

Floor Activity:

Passed House: 4/14/97, 55-42.

Senate Amended.

House Refused to Concur.

Second Conference Committee Report Adopted.

Passed Legislature.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; Benson; Carlson; Cooke; Crouse; Dyer; Lambert; Lisk; Mastin; McMorris; Parlette; D. Schmidt; Sehlin; Sheahan and Talcott.

Minority Report: Do not pass. Signed by 13 members: Representatives H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Chopp; Cody; Grant; Keiser; Kenney; Kessler; Linville; Poulsen; Regala and Tokuda.

Staff: Beth Redfield (786-7130).

Background: Chapter 265, Laws of 1995 made a number of changes to the Basic Health Plan (BHP). Mental health, chemical dependency treatment, and organ transplant benefits were added. To boost enrollments in the BHP, an entitlement for health insurance agents and brokers to receive a commission for individual or group enrollments in the BHP was created. A process for financial sponsorship of enrollees

was put in place. Payments made on behalf of the enrollee are prohibited from exceeding the total premium due from the enrollee.

Summary of Bill: Agents and brokers may receive commissions for enrolling persons in the Basic Health Plan if funding is specifically provided. The prohibition against financial sponsor payments exceeding premiums due from the enrollee is deleted. Chemical dependency, mental health, and organ transplant benefits may be offered by the Basic Health Plan if funding is available. People who solicit applications for the BHP are required to comply with the insurance code, including being licensed as agents. Four technical changes are made to ESHB 2018 (Health Insurance Reform). Two amendments clarify statutory references; one amendment clarifies that underwriting for the high-risk pool is to be based on the rules for the small group rather than the individual market to prevent gender inequity; and the last amendment corrects an error in the original bill which mistakenly deleted a definition.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: None.

Testimony Against: The language allowing the elimination of mental health benefits is inconsistent with the House budget. The elimination of chemical dependency treatment or mental health benefits will in the long run cost more. The beer and wine wholesalers provide a substantial amount of support to the Health Services Account and are supportive of chemical dependency treatment in the Basic Health Plan.

Testified: Gail McGaffick, Washington State Psychological Association; Sharon Case, Advanced Practice Psychiatric Nurses Community and Migrant Health Centers and Association for Community and Migrant Services; Ann Simons, Washington Association for Marriage and Family Therapy; and Dick Ducharme, Beer and Wine Wholesaler's Association.