

SENATE BILL REPORT

SHB 3109

As Reported By Senate Committee On:
Ways & Means, February 26, 1998

Title: An act relating to verification of income eligibility for the basic health plan.

Brief Description: Verifying the income of subsidized enrollees of the state basic health plan.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Huff, H. Sommers, Dyer and Carrell).

Brief History:

Committee Activity: Ways & Means: 2/26/98 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Fraser, Hochstatter, Kohl, Long, Roach, Rossi, Spanel, Swecker, Winsley and Zarelli.

Staff: Tim Yowell (786-7435)

Background: The Basic Health Plan (BHP) provides state-subsidized health insurance coverage for people with family incomes below 200 percent of the federal poverty level. The state subsidy is adjusted on a sliding-scale basis, so that people with lower incomes receive a larger subsidy, and those with incomes closer to 200 percent of poverty receive a smaller one. Subsidized enrollees are required to document their income at the time of application, and to report subsequent income changes.

To the extent possible within available staffing, the BHP checks the continued eligibility of enrollees who have not reported any income changes within the previous year. In 1997, subsidized enrollment was terminated for approximately 1,100 families as a result of such eligibility recertifications. This was just under 40 percent of the accounts checked. Also in 1997, the State Auditor conducted a computer match between BHP and Employment Security records which suggested there may be a significant issue with enrollees receiving a higher subsidy than they should.

Under current law, the BHP may bill an enrollee for the subsidy paid on their behalf if the enrollee is found to have knowingly failed to report that his or her income exceeds 200 percent of poverty. However, the BHP does not have the authority to bill for any extra subsidy paid if the enrollee's income continues to be less than 200 percent of poverty.

Summary of Bill: When a Basic Health Plan enrollee fails to report income or income changes accurately, the administrator of the Health Care Authority has the authority either to bill the enrollee for the amount of overpayment or to impose a civil penalty of up to 200 percent of the amount of subsidy overpaid as a result of the incorrect reporting. The

administrator must adopt rules to define the appropriate application of these sanctions and the processes to implement the sanctions within available resources.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: None.

Testimony Against: None.

Testified: No one.