

SENATE BILL REPORT

SB 6271

As of January 21, 2016

Title: An act relating to the Washington state health insurance pool.

Brief Description: Addressing the Washington state health insurance pool.

Sponsors: Senators Becker, Keiser, Dammeier, Bailey, Parlette, Brown, Conway and Warnick.

Brief History:

Committee Activity: Health Care: 1/21/16.

SENATE COMMITTEE ON HEALTH CARE

Staff: Mich'l Needham (786-7442)

Background: The Washington State Health Insurance Pool (WSHIP) is the high risk pool for Washington. WSHIP is an independent, nonprofit entity, created by legislation, that provides coverage for individuals who are unable to obtain comprehensive health coverage or Medicare supplemental coverage. WSHIP offers non-Medicare eligible plans and Medicare-eligible plans.

To be eligible for coverage under a WSHIP non-Medicare plan, an individual must be a Washington resident and not be eligible for:

- Medicare coverage, and be enrolled in a WSHIP non-Medicare plan prior to December 31, 2013; or
- Medicare or Medicaid, and reside in a county where an individual health plan is not offered to the individual.

WSHIP has been closed to new non-Medicare enrollment because individual plans were offered in all counties in 2014 and 2015. WSHIP must discontinue all non-Medicare plans on December 31, 2017. The Medicare-eligible plan remains open to enrollees who are unable to obtain comprehensive supplemental coverage or a Medicare Part C plan with no discontinuation date.

Legislation enacted in 2013 required WSHIP to study the eligibility and complete another review of populations that may need ongoing access to coverage through WSHIP by November 1, 2015. The requirements of the study were to:

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- include both the non-Medicare populations scheduled to lose coverage and Medicare populations, including whether the enrollees have access to comprehensive coverage alternatives that include appropriate pharmacy coverage;
- address any barriers to eligibility that remain in accessing other coverage such as Medicare supplemental coverage or comprehensive pharmacy coverage; and
- suggest any financing changes and recommend a future expiration of the pool.

In 2015, the WSHIP board issued the following recommendations:

- continue WSHIP non-Medicare coverage beyond December 31, 2017;
- continue WSHIP Medicare coverage;
- maintain the WSHIP funding mechanism; and
- expand alien medical coverage for undocumented immigrants by expanding the Alien Medical for Dialysis and Cancer Treatment program to cover other serious medical conditions and post-transplant care.

Summary of Bill: WSHIP non-Medicare plans are no longer discontinued effective December 31, 2017.

In addition to existing categories of eligibility for the non-Medicare plans, any resident of the state is eligible for WSHIP coverage if the resident is (1) not eligible for Medicaid or Medicare coverage, and (2) not eligible to purchase a health plan through the Washington health benefit exchange.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The WSHIP Board study recommend removing the expiration date for the Non-Medicare program and making no changes to the Medicare program. The Medicare enrollees are largely those that can not get Medigap coverage or Medicare Advantage coverage and the pool offers one of the few options available for these folks. The Non-Medicare program has only about 500 enrollees and our study indicated that coverage options are available in the individual market but that approximately half of our current Non-Medicare enrollees would have trouble accessing other coverage if we terminate the program with the 2017 expiration date. Many are sponsored enrollees that receive financial assistance and some may be non-citizens that may have trouble accessing other options.

We note those enrollees remaining in the high risk pool have worse health status than previous enrollees with very high expenses. Over 70 percent of the program costs are pushed to the insured market and small businesses with fully insured products feel we are disproportionately bearing the risk. If the program continues, we support the amendment suggested by Senator Becker to sunset and review the program again in a few years. We support the intent of the bill and support removing the sunset or delaying the sunset. The

health plans need to know the status of the plan to factor into the rate filings that are due in April. We support an amendment with a follow up study to assess if certain populations still have no options for coverage. The high risk pool still has a roll to play in helping stabilize the market and mitigate risk. We concur that we should remove the sunset and allow those enrolled currently to stay in the program, and we should look at future options. WSHIP was created in a different time and place with a different insurance market. It is important to continue to review.

CON: The various association plans I represent are generally small businesses and we are being hit by the high risk pool assessment paying a disproportionate amount since the large self-insured plans and Taft Hartley trusts are excluded. If we keep the high risk pool, the costs should be spread around more broadly. We are concerned with opening the eligibility to the new population if it includes the undocumented. We are concerned with the eligibility change opening the program to new individuals. We do not know the scope of the problem and how many people this may include. Terminating the high risk pool is consistent with the Affordable Care Act now that coverage is broadly available without pre-existing condition screening.

Persons Testifying: PRO: Sharon Becker, Shaun Koos, Washington State Health Insurance Pool (WSHIP); Sheri Nelson, Assoc of WA Business; Sheela Tallman, Premera Blue Cross; Chris Bandoli, Regence BlueShield.

CON: Patrick Connor, NFIB/Washington; Tom Kwieciak , Building Industry Assn of WA.

Persons Signed In To Testify But Not Testifying: No one.