

SENATE BILL REPORT

ESSB 5386

As Passed Senate, March 9, 1995

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 & Long-Term Care: 1/31/95, 2/16/95 [DPS].
Passed Senate, 3/9/95, 47-0.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5386 be substituted therefor, and the substitute bill do pass.

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

Staff: Don Sloma (786-7319)

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 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 Bill: A goal for BHP enrollment is established at 500,000 lives; 250,000 adults and 250,000 children through expanded medical assistance services (Medicaid).

Hospitals, rural health care facilities and community health centers may assist in BHP and Medicaid enrollment.

Insurance brokers and agents may receive commissions to sell the BHP.

The date when the benefits within the BHP must be the same as the uniform benefits package, as determined by the Health Services commission, is moved to the first plan anniversary date after February 1, 1996.

The HCA administrator must strive to make enrollee point of service cost sharing similar to that required for the uniform benefits package when it becomes effective.

The HCA administrator must base the state's subsidy level for the BHP on the cost of the lowest cost plan. BHP enrollees choosing more expensive plan options are required to pay the difference.

The amount the BHP administrator may bill enrollees who fail to provide notice of an increase in their income to more than twice the federal poverty level is increased from the amount of premiums they owe for the period to twice that amount.

The requirement to review income based eligibility for BHP subsidies is relaxed from a semiannual requirement to one defined by the HCA as reasonable.

The amount that employers who wish to enroll their employees in BHP must pay is reduced from at least 50 percent of the premium to 33 percent of premium.

The requirement that the BHP use a premium pricing structure substantially equivalent to that used in January 1993 is repealed.

Appropriation: None.

Fiscal Note: Available.

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

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

Testimony Against: None.

Testified: Margaret Stanley, Health Care Authority; Cherie Tessier, WADC; Randy Ray, WA Assn. of Temp. Services.

House Amendment(s): The Senate bill's provisions are removed and replaced as follows:

The list of BHP services is expanded to include chemical dependency, mental health and organ transplant services so long as their cost does not increase BHP costs by more than 5 percent.

Several references to the uniform benefits package as determined by the Health Services Commission are deleted, as are the requirements that the BHP list of covered services must comport with the uniform benefits package.

The HCA administrator is authorized to develop a model BHP plan with uniformity in enrollee cost sharing for use by private insurers.

The HCA is authorized to use co-payments, deductibles and other enrollee cost sharing in the design of the subsidized and unsubsidized BHP.

The HCA may base BHP subsidies on the cost of the lowest priced private provider cost for BHP.

The requirement to verify BHP enrollee income is placed under the discretion of the HCA.

The existing requirement that prospective BHP enrollees not relinquish more comprehensive coverage is repealed.

The requirement for employer premium sharing in BHP is changed from 50 percent of premium to an amount equal to the employee share.

No individual provider, carrier or facility must participate in or pay for a specific health service if they have a conscience or religious objection. No person may be denied access to a BHP service because of this. No one may be required to render free service because of someone else's exercise of this conscience clause. The HCA administrator must define a process to accomplish this.

The requirement that BHP use a premium pricing structure substantially equivalent to one used in January 1993 is repealed.