

HOUSE BILL REPORT

HB 2069

As Reported by House Committee On: Health Care

Title: An act relating to expanding access to insurance coverage through the small business assist program.

Brief Description: Expanding access to insurance coverage through the small business assist program.

Sponsors: Representatives Morrell, Hankins, Cody, Sells, Green, Kenney, Moeller, Conway and Chase; by request of Governor Gregoire.

Brief History:

Committee Activity:

Health Care: 2/24/05, 2/28/05 [DPS].

Brief Summary of Substitute Bill

- Establishes a small business coverage option through the Health Care Authority.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Condotta, Hinkle and Skinner.

Staff: Dave Knutson (786-7146).

Background:

Recent rapid increases in the cost of health care has made it difficult for small employers to afford to provide coverage for their employees health care coverage. The percentage of small employers providing health care coverage for their employees has declined for the past several years. The Health Care Authority (Authority) provides subsidized health coverage for low-income individuals who meet income eligibility standards through the Basic Health Plan.

Summary of Substitute Bill:

A Small Business Assist Program (Program) is created in the Authority. The Program will be open to businesses employing between two and 50 employees, if the employer has not offered health coverage for at least six months at the time of application. The Program will begin accepting application for the program by January 1, 2007. The administrator of the Authority is authorized to design one or more schedules of covered benefits for small business assist enrollees. The Program will not be exempt from the requirements of Title 48 RCW. A premium assistance option for low-wage workers for small employers is also established. The Authority will explore options for subsidizing small employers.

Substitute Bill Compared to Original Bill:

The substitute bill removes the exemption from all Title 48 RCW mandates. The Authority will explore ways to subsidize small employers that enroll. A premium assistance option is added. A \$2 million appropriation is added.

Appropriation: The sum of \$2 million. The Basic Health Plan enrollment will be reduced by 1,000 people to generate the \$2 million.

Fiscal Note: Requested on February 17, 2005.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Small employers are struggling to provide health coverage for their employees. The government needs to find ways to help small businesses cover employee health care costs.

Testimony Against: The business community wants a private sector solution to the high cost of health care. Another government-run program is not the answer.

Persons Testifying: (In support) Christina Hulet, Governor's Policy Office; and Pete Cutler, Health Care Authority.

(Opposed) Mel Sorensen, America's Health Insurance Plans and Washington Association of Health Underwriters; Gary Smith, Independent Business Association; Sydney Zvara, Association of Washington Healthcare Plans; Mellani Hughes McAleenan, Association of Washington Business; and Carolyn Logue, National Federation of Independent Business.

Persons Signed In To Testify But Not Testifying: None.