

# HOUSE BILL REPORT

## SSB 6765

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**As Reported by House Committee On:**  
Health Care & Wellness

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

**Brief Description:** Concerning the Washington state health insurance pool.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Parlette and Keiser).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/21/08, 2/25/08 [DP].

**Brief Summary of Substitute Bill**

- Makes individuals eligible for medical assistance through the Department of Social and Health Services after June 30, 2008 ineligible for coverage through the Washington State Health Insurance Pool (WSHIP).
- Establishes a task force to recommend funding sources for the WSHIP.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 12 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Barlow, Condotta, DeBolt, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

**Staff:** Dave Knutson (786-7146).

**Background:**

The Washington State Health Insurance Pool (WSHIP), the state's high risk pool, provides insurance coverage to those who have been denied enrollment in individual insurance coverage. Although the WSHIP enrollees finance part of their expenses with a premium payment, the program is largely financed through assessments charged to all commercial

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health insurance products. In 2006 the carrier assessments totaled \$31.7 million, or approximately \$1 per member per month on each commercial premium.

The 2007 Legislature directed the WSHIP to have a consultant complete an analysis of the eligibility standards, including the eligibility for Medicaid and other publicly sponsored enrollees. The WSHIP Board submitted a report to the Legislature that found that approximately 23 percent of their enrollees (786 members) have their premiums paid by a "publicly funded organization," including the Evergreen Health Insurance Program, the Northwest Kidney Center, and the Department of Social and Health Services (DSHS). Approximately 30 members had their premiums paid by the DSHS medical assistance, with total premiums of approximately \$291,000 for 2006 and total claims paid of \$2.2 million. The WSHIP Board has recommended a change to their eligibility statutes that would prevent enrollment of those with medical assistance coverage.

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**Summary of Bill:**

Individuals who become eligible for the DSHS medical assistance after June 30, 2008 are not eligible for coverage under the WSHIP.

The Office of Insurance Commissioner is directed to convene a task force to recommend the best options for equitable, stable, and broad-based funding sources for the WSHIP. Participants should include, at a minimum, representatives from insurance carriers, the WSHIP, and the Office of Financial Management.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) Providing health coverage for individuals eligible for the Medicaid program through the DSHS instead of the WSHIP will improve the financial viability of the WSHIP. The WSHIP needs a stable source of funding that does not rely exclusively on assessments from health insurance carriers.

(Opposed) None.

**Persons Testifying:** Karen Larson, Washington State Health Insurance Pool.

**Persons Signed In To Testify But Not Testifying:** None.