
SENATE BILL 6523

State of Washington

61st Legislature

2010 Regular Session

By Senators Pflug, Becker, Parlette, Stevens, Swecker, Schoesler, and Hewitt

Read first time 01/15/10. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to the apple health community care demonstration
2 waiver; amending RCW 74.09.5222; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that state funded
5 health care coverage programs for the working poor and unemployable are
6 at imminent risk of elimination due to growing fiscal pressures and the
7 unsustainable rate at which health care costs increase. The urgent
8 fiscal crisis is felt by many Washington residents who are experiencing
9 their own budget difficulties and are now faced with losing the one
10 option they had for affordable health care coverage.

11 The legislature further finds that a situation of this magnitude
12 demands creativity and foresight to maximize state and federal
13 resources such that health care coverage can be maintained for the
14 working poor and unemployable. It is understood that this may involve
15 major restructuring and reordering of existing programs to be
16 consistent with emerging federal legislation as well as current budget
17 realities.

18 The legislature further finds that it is in the interest of the
19 state to provide seamless coverage options for families through an

1 insurance exchange that helps subsidize coverage for the poor while
2 providing a competitive market with quality coverage options for all
3 residents regardless of income or assets.

4 The legislature further finds that it would be irresponsible to
5 implement any restructuring of state medical assistance programs that
6 would create different classes of coverage based on the eligibility
7 group in which one happens to be assigned. This hazard is best avoided
8 through a streamlined approach that empowers individuals to make their
9 own coverage decisions and provides subsidies where needed to achieve
10 affordable coverage in the context of a health insurance exchange.

11 **Sec. 2.** RCW 74.09.5222 and 2009 c 545 s 4 are each amended to read
12 as follows:

13 (1) The department shall submit a section 1115 demonstration waiver
14 request, or a series of section 1115 demonstration waiver requests to
15 the federal department of health and human services to expand and
16 revise the medical assistance program as codified in Title XIX of the
17 federal social security act. The waiver request should be designed to
18 ensure the broadest federal financial participation under Title XIX and
19 XXI of the federal social security act. To the extent permitted under
20 federal law, the waiver request should conform with any timely national
21 health insurance reform developments and shall include the following
22 components:

23 (a) Establishment of a single eligibility standard for low-income
24 persons, including expansion of categorical eligibility to include
25 childless adults. The department shall request that the single
26 eligibility standard be phased in such that incremental steps are taken
27 to cover additional low-income parents and individuals over time, with
28 the goal of (~~offering~~) making coverage (~~to~~) affordable for persons
29 with household income at or below two hundred percent of the federal
30 poverty level;

31 (b) Establishment of a single seamless application and eligibility
32 determination system for all state low-income medical programs included
33 in the waiver with explicit flexibility for further coordination with
34 and eventual merging with an insurance exchange if one is established
35 in Washington state prior to January 1, 2015. Applications (~~may~~)
36 must be (~~electronic~~) made available electronically and may include an

1 electronic signature for verification and authentication. Eligibility
2 determinations should maximize federal financing where possible;

3 (c) The delivery of all low-income coverage programs as a single
4 program or as part of an insurance exchange if one is established in
5 Washington state prior to January 1, 2015, ((with)) to include: (i) A
6 common core benefit package that may be similar to the basic health
7 benefit package; or (ii) an alternative benefit package approved by the
8 secretary of the federal department of health and human services,
9 including the option of supplemental coverage for select categorical
10 groups, such as children, and individuals who are aged, blind, and
11 disabled; or (iii) if an insurance exchange is established, at least
12 one insurance plan that is actuarially equivalent to the basic health
13 plan benefit package;

14 (d) A program design, or if an insurance exchange is adopted prior
15 to January 1, 2015, incentives for authorized insurance plans to
16 include creative and innovative approaches such as: Coverage for
17 preventive services with incentives to use appropriate preventive care;
18 enhanced medical home reimbursement, accountable care organization
19 payment structure, and bundled payment methodologies; cost-sharing
20 options; use of care management and care coordination programs to
21 improve coordination of medical and behavioral health services;
22 application of an innovative predictive risk model to better target
23 care management services; and mandatory enrollment in managed care,
24 ((as may be necessary)) only if applicable;

25 (e) Until an insurance exchange is fully implemented in Washington
26 state, the ability to impose enrollment limits or benefit design
27 changes for eligibility groups that were not eligible under the Title
28 XIX state plan in effect on the date of submission of the waiver
29 application;

30 (f) A premium assistance program through an insurance exchange
31 whereby employers can participate in coverage options for employees and
32 dependents of employees ((otherwise eligible under the waiver))
33 regardless of eligibility for subsidies in the exchange or other state
34 coverage assistance. The waiver should make every effort to maximize
35 enrollment in employer-sponsored health insurance when it is cost-
36 effective for the state to do so, and the purchase is consistent with
37 the requirements of Titles XIX and XXI of the federal social security
38 act. To the extent allowable under federal law and only prior to an

1 insurance exchange being fully implemented in Washington state, the
2 department shall require enrollment in available employer-sponsored
3 coverage as a condition of eligibility for coverage under the waiver;
4 ((and))

5 (g) The ability to share savings that might accrue to the federal
6 medicare program, Title XVIII of the federal social security act, from
7 improved care management for persons who are eligible for both medicare
8 and medicaid. Through the waiver application process, the department
9 shall determine whether the state could serve, directly or by contract,
10 as a medicare special needs plan for persons eligible for both medicare
11 and medicaid;

12 (h) An implementation timeline mindful of national health insurance
13 reform developments, including a detailed plan for the inclusion of
14 categorically eligible medical assistance populations in an insurance
15 exchange, subject to the state having fully implemented an insurance
16 exchange by January 1, 2015; and

17 (i) The ability to utilize federal matching funds to provide
18 coverage to eligible medicaid enrollees in the context of an insurance
19 exchange equal to the level of funding that would exist otherwise,
20 subject to the state having fully implemented an insurance exchange by
21 January 1, 2015.

22 (2)(a) The department shall construct the waiver request around the
23 conceptual framework of an insurance exchange that would serve any
24 newly subsidized populations not otherwise eligible for medical
25 assistance, as well as the current and expanded medical assistance
26 population. The central goal of the waiver request should be providing
27 streamlined, seamless coverage to subsidized and nonsubsidized
28 populations in a competitive health insurance exchange, with adequate
29 access, affordability, and quality measures employed.

30 (3) The department shall hold ongoing stakeholder discussions as it
31 is developing the waiver request, and provide opportunities for public
32 review and comment as the request is being developed.

33 ~~((+3))~~ (4) The department and the health care authority shall
34 identify statutory changes that may be necessary to ensure successful
35 and timely implementation of the waiver request as submitted to the
36 federal department of health and human services as the apple health
37 ~~((program for adults))~~ community care program.

1 (~~(4)~~) (5) The legislature must authorize implementation of any
2 waiver approved by the federal department of health and human services
3 under this section.

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