

SENATE BILL REPORT

HB 2798

As of March 10, 2014

Title: An act relating to payments by the health care authority to managed health care systems.

Brief Description: Concerning payments made by the health care authority to managed health care systems.

Sponsors: Representative Hunter.

Brief History: Passed House: 3/06/14, 85-11.

Committee Activity: Ways & Means: 3/10/14.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Michael Bezanson (786-7449)

Background: The Health Care Authority (HCA) administered the Basic Health Plan (BHP), which was a health care insurance program that assisted enrollees by providing a state subsidy to offset the cost of premiums. Coverage under the BHP was available for residents of Washington with incomes less than 200 percent of the federal poverty level (FPL) that were also eligible for federal matching funds under a Medicaid waiver related to the BHP. HCA was allowed to make payments to managed care plans participating in the BHP on behalf of BHP clients with Medicaid coverage.

On January 1, 2014, Washington exercised its option under the federal Affordable Care Act to expand the Medicaid program to cover adults with incomes below 133 percent of the FPL. Most of the clients in the BHP became eligible for Medicaid coverage under the expansion, and the Legislature eliminated funding for the BHP.

Any non-state general fund dollars collected by the BHP were deposited in the Basic Health Plan Trust Account to be used exclusively for the BHP. Initiative Measure 502 (I-502) was a ballot measure approved by Washington voters in November 2012 that legalized the production, processing, possession, and personal use of marijuana and created a framework for a regulatory scheme that includes an excise tax system with respect to marijuana production, distribution, and retailing. The initiative required that 50 percent of the remaining excise taxes after certain specified disbursements must be deposited into the Basic Health Plan Trust Account.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: HCA may, under its BHP authority, make payments to Medicaid-managed care plans for clients receiving Medicaid coverage.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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