## SUBSTITUTE SENATE BILL 5914

State of Washington63rd Legislature2013 Regular SessionBy Senate Ways & Means (originally sponsored by Senator Parlette)READ FIRST TIME 04/26/13.

AN ACT Relating to a medicaid waiver for premium assistance to purchase market-based exchange coverage for medicaid-eligible adults and children; adding a new section to chapter 74.09 RCW; and creating a new section.

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

6 <u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that the centers 7 for medicare and medicaid services recently released draft regulations 8 which provide an opportunity for states to use medicaid funding to 9 purchase coverage for eligible beneficiaries in the individual market 10 through the health benefit exchange.

(2) Premium assistance enables individuals to stay with the same 11 12 health plan and same provider network as their income fluctuates above and below medicaid eligibility levels. Churning, the cycle of losing 13 14 and regaining medicaid insurance coverage due to income changes, can be 15 disruptive and generate economic, social, and health costs. Premium 16 assistance can provide a seamless continuum of insurance affordability programs for individuals with incomes below four hundred percent of the 17 18 federal poverty level who will experience frequent income changes that 19 impact eligibility for the insurance programs.

1 (3) Premium assistance can provide medicaid beneficiaries the same 2 access to providers as privately insured individuals by giving them 3 access to the commercial market, while at the same time ensuring 4 providers are paid market rates for individuals.

5 (4) Premium assistance has been available for states to use the 6 medicaid program to wrap around employer coverage for an employed 7 individual who is also eligible for medicaid, and for enrollees in the 8 children's health insurance program. Premium assistance in the 9 medicaid program has required states provide enrollees with all the 10 benefits an enrollee is entitled to under medicaid and ensure the cost-11 sharing does not exceed the federal medicaid rules.

12 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 74.09 RCW 13 to read as follows:

14 (1) The authority shall submit a waiver request to the federal centers for medicare and medicaid to implement a targeted premium 15 assistance program for the expansion adults, identified in section 16 1902(a)(1)(A)(i)(VIII), of the social security act, with incomes above 17 18 one hundred percent of the federal poverty level, and for children covered in the children's health insurance program with incomes above 19 20 two hundred percent of the federal poverty level, with a goal of 21 providing seamless coverage through the health benefit exchange and 22 improving opportunities for families to be covered in the same health 23 The waiver request must include the possibility of applying plan. premiums for individuals and cost-sharing that may exceed the five 24 25 percent of family income required in federal law.

26 (2) The authority shall submit a report to the legislature and the 27 governor that provides recommendations to make the targeted premium assistance program cost neutral by September 1, 2014. The authority is 28 29 encouraged to be creative, use subject matter experts, and exhaust all possible options to achieve cost neutrality. The report shall also 30 31 include a detailed plan and timeline. A formal waiver proposal must be 32 submitted with the goal of implementation by October 1, 2015, or the first day of the open enrollment period for the health benefit exchange 33 34 in calendar year 2016, whichever is earlier.

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