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## Health Care & Wellness Committee

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### HB 1321

**Brief Description:** Declaring the intent for all Washingtonians to have health care coverage by 2020.

**Sponsors:** Representatives Robinson, Ryu, Cody, Riccelli, Farrell, S. Hunt, Fitzgibbon, Carlyle, Tharinger, Goodman, Ortiz-Self, Bergquist, Dunshee, Moscoso, Appleton, Sells, Pollet, Reykdal, Walkinshaw, Jinkins, Senn, Wylie, Ormsby, Lytton, Hudgins, Tarleton, Moeller, Sawyer, Fey, Gregerson and Stanford.

#### Brief Summary of Bill

- States legislative findings related to health care coverage and affordability.
- States legislative intent that all Washington residents have accessible, affordable, and comprehensive health care coverage by 2020.

**Hearing Date:** 2/20/15

**Staff:** Alexa Silver (786-7190).

#### **Background:**

##### Health Benefit Exchange Plans.

Under the Affordable Care Act (ACA), an individual who enrolls in a qualified health plan through a health benefit exchange may be eligible for a premium tax credit if his or her household income is 100 to 400 percent of the poverty line and he or she is not eligible for minimum essential coverage (*e.g.*, through Medicaid or an employer-sponsored plan). Individuals who are eligible for the premium tax credit may have the credit paid in advance directly to the issuer to lower their premiums.

The ACA specifies four categories of health plans to be offered through the Health Benefit Exchange (Exchange) and in the individual and small group markets outside the Exchange. The categories are based on the percentage of the costs the plan is expected to pay, ranging from

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bronze plans that cover 60 percent of the actuarial value of the plan's benefits to platinum plans that cover 90 percent of the actuarial value of the plan's benefits.

An employer with fewer than 25 full-time employees may be eligible for a federal tax credit if the employer pays an average wage of less than \$50,000 and pays premiums on behalf of employees enrolled in plans through the Small Business Health Options Program Exchange.

### Medicaid Expansion.

Medicaid is a health care program for qualifying low-income and needy people, including children, the elderly, and persons with disabilities. The program is a federal-state partnership established under the federal Social Security Act and implemented at the state level with federal matching funds. Each state program must establish a plan that meets specified requirements mandated by the federal Centers for Medicare and Medicaid Services. Washington exercised its option under the ACA to expand Medicaid to include individuals between the ages of 19 and 64 with family incomes at or below 133 percent of the federal poverty level.

### **Summary of Bill:**

The Legislature finds that:

- the state's families, individuals, communities, and local economies thrive when every resident has access to health coverage and services;
- the passage of the Affordable Care Act (ACA) offered the potential to extend coverage to many of the 47 million non-elderly uninsured people nationwide, including one million uninsured Washingtonians. Washington state has made significant and historic progress in providing coverage to uninsured adults, children, and families under the ACA;
- even after the successful and full implementation of the ACA, approximately 10 percent of Washingtonians will remain uninsured, and even more will remain underinsured;
- too many Washingtonians remain without health care coverage or services and find themselves uninsured or underinsured due to the lack of affordable coverage options, while other residents are at risk of losing adequate health care coverage or cannot afford to renew or maintain existing coverage;
- small businesses struggle to afford to pay for health care coverage, and still too many low-income individuals and small businesses bear an inequitable health care coverage burden;
- the cost of family health care coverage premiums have increased more than 70 percent in the last decade, and over 8,000 people lost health coverage in 2014 due to the failure to pay premiums for their Health Benefit Exchange plans; and
- the state's uncompensated care burden is nearly \$1 billion annually which results in increased costs for the insured, and many individuals and families are living with medical debt due to illness or injury.

It is the Legislature's intent that all Washington residents have accessible, affordable, and comprehensive health care coverage by 2020.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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