

# HOUSE BILL REPORT

## SHB 1291

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### As Passed House:

March 2, 2017

**Title:** An act relating to health care for Pacific Islanders residing in Washington under a compact of free association.

**Brief Description:** Concerning health care for Pacific Islanders residing in Washington under a compact of free association.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Santos, Jinkins, Fey, Robinson, Fitzgibbon, Stanford, Ormsby and Riccelli).

### Brief History:

#### Committee Activity:

Health Care & Wellness: 1/25/17, 2/8/17 [DP];

Appropriations: 2/20/17, 2/23/17 [DPS].

#### Floor Activity:

Passed House: 3/2/17, 51-47.

### Brief Summary of Substitute Bill

- Creates a premium assistance program for Washington residents who are citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

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## HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 9 members: Representatives Cody, Chair; Macri, Vice Chair; Clibborn, Jinkins, Riccelli, Robinson, Slatter, Stonier and Tharinger.

**Minority Report:** Do not pass. Signed by 7 members: Representatives Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Caldier, DeBolt, MacEwen, Maycumber and Rodne.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Harris.

**Staff:** Jim Morishima (786-7191).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Sullivan and Tharinger.

**Minority Report:** Do not pass. Signed by 14 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Caldier, Condotta, Haler, Harris, Manweller, Schmick, Taylor, Vick, Volz and Wilcox.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Nealey.

**Staff:** Catrina Lucero (786-7192).

### **Background:**

#### The Washington Healthplanfinder.

Under the federal Patient Protection and Affordable Care Act (ACA), each state must establish a health benefit exchange through which consumers may compare and purchase individual and small group coverage, access premium and cost-sharing subsidies, and apply for Medicaid coverage. Premium subsidies are available to individuals between 100 percent and 400 percent of the federal poverty level. Qualified health plans (QHPs) sold in an exchange must meet certain standardized actuarial values: Bronze (60 percent), Silver (70 percent), Gold (80 percent), and Platinum (90 percent).

Washington's health benefit exchange, the Washington Healthplanfinder, is a public-private partnership governed by a board consisting of members with expertise in the health care system and health care coverage.

On January 20, 2017, President Trump signed an executive order directing federal agencies to "minimize unwarranted economic and regulatory burdens of the ACA."

#### The Compact of Free Association.

Under the Compact of Free Association (COFA), citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau may live and work in the United States and serve in the United States Military. Citizens of COFA nations are also eligible for premium assistance through the Exchanges established by the ACA. Citizens of COFA nations are, however, ineligible for Medicaid.

#### Health Impact Review.

The Washington State Board of Health (Board), in collaboration with the Governor's Interagency Council on Health Disparities, may complete health impact reviews on legislative proposals to evaluate the proposals' impact on health and health disparities. In

2016, the Board completed a health impact review of House Bill 2986 (2016), which created a premium assistance program for citizens of COFA nations. The Board determined that the program would improve access and outcomes for COFA citizens and decrease health disparities.

**Summary of Substitute Bill:**

The COFA Premium Assistance Program (Program) is established. Through the Program, the Health Care Authority (HCA) must, within funds appropriated for the specific purpose, pay the premiums associated with a QHP purchased by an eligible individual. A person is eligible for the Program if he or she:

- is a Washington resident;
- is a citizen of a COFA nation;
- enrolls in a Silver plan;
- has an income that is less than 133 percent of the federal poverty level; and
- is ineligible for a federal or state medical program.

A person is disqualified for the program if he or she:

- no longer meets the eligibility criteria;
- fails to comply with the Program requirements related to procedures or documentation;
- fails to notify the HCA of a change of address in a timely manner;
- withdraws his or her application or requests the termination of coverage; or
- commits fraud that results in an insurer rescinding the policy.

The HCA must establish:

- application, enrollment, and renewal processes;
- the QHPs that are eligible for reimbursement by the Program;
- procedural requirements for participation in the Program;
- open enrollment and special enrollment periods consistent with the enrollment periods of the Washington Healthplanfinder—the first open enrollment period must begin by November 1, 2017; and
- a comprehensive community education and outreach campaign that must begin no later than September 1, 2017.

The HCA must appoint an advisory committee (Committee) that must include insurers and representatives of communities of citizens of COFA nations. The Committee must advise the HCA in the development, implementation, and operation of the Program.

By December 31, 2018, the HCA must report to the Governor and the Legislature on the implementation of the Program. The report must include:

- the number of people participating in the program;
- the actual costs of the program compared to predicted costs;
- the results of the community education and outreach campaign; and
- the funding needed to continue the program through the end of the biennium.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) Citizens of Compact of Free Association nations find themselves caught between the changing winds of federal and state policy. United States nuclear testing has led to illness related to radiation exposure in COFA nations. The United States has a trusteeship relationship with these nations under which citizens of COFA nations may travel freely and have medical benefits. Access to medical benefits was cut off in the mid-1990s. Citizens of COFA nations living in the United States pay taxes and serve in the military. They are entitled to the same benefits as other citizens. Consistent with Washington's commitment to eliminating health disparities, this bill should be enacted to correct something that should have been done on the national level.

(Opposed) None.

(Other) The Board conducted a health impact review on this proposal. The review found that this bill will lead to increased enrollment in health plans, which will result in better health outcomes and reduced disparities by income and ethnicity.

**Staff Summary of Public Testimony (Appropriations):**

(In support) Citizens of Compact of Free Association (COFA) nations are dying young. They often do not have access to medical care or insurance. Many have radiation-related issues due to the 67 bombs that were dropped on the islands. There are about 6,500 COFA citizens in Washington. In the 1950s the United States conducted over 60 nuclear atmospheric bomb tests that spread radiation from nuclear fallout throughout the region. As a result, COFA people suffer high rates of cancer and other radiation-related diseases and chronic illnesses. In 1996 Medicaid coverage was taken away from COFA communities due to the federal Personal Responsibility and Work Act. The COFA people residing in Washington are responsible for all federal, state, and local taxes, but lack access to Medicaid and other federal programs. Lack of access to health care increases health disparities for the COFA community. Having access to health insurance would change the lives of about 2,000 Pacific Islanders across the state. This would promote healthier communities.

(Opposed) None.

**Persons Testifying (Health Care & Wellness):** (In support) Representative Santos, prime sponsor; Robin Narruhn, Pacific Island Health Board; and Keju Thompson.

(Other) Alexandra Montano, Washington State Board of Health.

**Persons Testifying (Appropriations):** Jiji Jally; and Brianne Ramos, Pacific Islander Health Board.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

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