

FINAL BILL REPORT

ESHB 2408

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Synopsis as Enacted

Brief Description: Preserving access to individual market health care coverage throughout Washington state.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Jinkins, Goodman, Johnson, Slatter, Tharinger, Stanford, Macri, Ormsby, Doglio and Appleton).

House Committee on Health Care & Wellness
House Committee on Appropriations
Senate Committee on Health & Long Term Care
Senate Committee on Ways & Means

Background:

Individual Market Coverage.

Individuals may purchase health insurance through the Washington Health Benefit Exchange (Exchange) or in the individual market outside of the Exchange. Most individual market plans are subject to a variety of federal and state requirements, including minimum actuarial values, rate review, and benefit mandates. Most individual plans must be offered in actuarial value tiers: Bronze (60 percent), Silver (70 percent), Gold (80 percent), and Platinum (90 percent).

Through the Exchange, individuals may compare and purchase individual coverage, access premium subsidies, and apply for Medicaid coverage. Premium subsidies are available to individuals between 100 percent and 400 percent of the federal poverty level. Cost sharing reductions are available to individuals between 100 percent and 250 percent of the federal poverty level. Carriers offering plans in the Exchange must offer at least one Silver and one Gold plan. Only health plans certified by the Exchange as qualified health plans (QHPs) may be sold on the Exchange.

The Public Employees' Benefits Board and the School Employees' Benefits Board.

The Public Employees' Benefits Board (PEBB) is a nine-member board that approves contracts and benefits for public employees, including most state employees. The School

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Employees' Benefits Board (SEBB) is a nine-member board that is part of the consolidated school district employees' health benefits purchasing program in the Health Care Authority (HCA). The SEBB's responsibilities include developing benefit plans for school employees and participating with the HCA in coordination with the PEBB in the selection of carriers to provide health and dental plans.

The Washington State Health Insurance Pool.

The Washington State Health Insurance Pool (WSHIP) is Washington's high risk pool. The WSHIP provides coverage for:

- individuals ineligible for Medicare who were enrolled in WSHIP plans prior to January 1, 2014;
- individuals ineligible for Medicare who live in a county where individual health coverage is unavailable; and
- individuals eligible for Medicare who do not have access to a reasonable choice of Medicare Advantage plans and provide evidence of rejection for medical reasons, restrictive riders, an uprated premium, preexisting condition limitations, or lack of access to a comprehensive Medicare supplemental plan.

Summary:

Individual Market Coverage.

For plan years beginning January 1, 2020, at least one health carrier in an insurance holding company system must offer in the Exchange at least one Silver and one Gold QHP in any county in which any carrier in the insurance holding company system offers a fully insured health plan that was approved, on or after the act's effective date, by the PEBB or the SEBB. The rates for a PEBB or SEBB-approved health plan may not include the administrative costs or actuarial risks associated with the QHPs offered by the carrier. The HCA must perform an annual actuarial review to ensure compliance with this prohibition.

The Washington State Health Insurance Pool.

Until December 31, 2019, a person eligible for WSHIP coverage because individual health coverage is not available must have his or her premium rate reduced. The amount of the reduction is:

- 80 percent for a person whose current modified adjusted gross income is less than or equal to 200 percent of the federal poverty level;
- 60 percent for a person whose current modified adjusted gross income is greater than 200 percent, but less than or equal to 300 percent of the federal poverty level;
- 50 percent for a person whose current modified adjusted gross income is greater than 300 percent, but less than or equal to 400 percent of the federal poverty level; and
- 30 percent for a person whose current modified adjusted gross income is greater than 400 percent of the federal poverty level.

The reductions are funded through the WSHIP assessments.

Votes on Final Passage:

House 98 0
Senate 30 18 (Senate amended)
House 58 40 (House concurred)

Effective: June 7, 2018