

HOUSE BILL REPORT

HB 2994

*As Reported By House Committee on:
Appropriations*

Title: An act relating to the basic health plan.

Brief Description: Modifying the basic health plan.

Sponsor(s): Representatives Orr, Locke, Rayburn and Roland.

Brief History:

Reported by House Committee on:
Appropriations, March 2, 1992, DPS.

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 21 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Appelwick; Braddock; Brekke; Carlson; Dorn; Ebersole; Hine; Lisk; May; Mielke; Peery; H. Sommers; Sprenkle; Valle; Vance; Wang; and Wineberry.

Minority Report: *Do not pass.* Signed by 3 members: Representatives Morton, Assistant Ranking Minority Member; Fuhrman; and Nealey.

Staff: Maureen Morris (786-7152).

Background: The House and Senate Supplemental Budgets assume Basic Health Plan savings from elimination of the statutory reserve requirement and shifting maternity coverage to the First Steps Program in the Department of Social and Health Services. Statutory changes are necessary to realize these savings. In addition, both budgets assume continuation of the Basic Health Plan throughout the 1991-93 Biennium.

Summary of Substitute Bill: Basic Health Plan coverage will exclude maternity coverage for pregnancies diagnosed after June 30, 1992. Pregnancies diagnosed before that date will be covered by the plan. The plan may provide up to one month of prenatal care before an enrollee transfers to the First Steps Program to provide continuity of care. The July 1, 1992, sunset of the Basic Health Plan is repealed.

Administration of the plan is transferred to the Health Care Authority. Criteria for timber enrollment are expanded.

Substitute Bill Compared to Original Bill: The substitute bill expands the criteria for timber impact area enrollment to permit individuals and families in timber impact areas but without a history of direct timber employment to enroll.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect June 30, 1992.

Testimony For: This bill provides a more efficient means of purchasing maternity coverage. Given the state's financial circumstances and the fact that the plan is not a risk-bearing insurer, the elimination of the reserve for 1991-93 is acceptable. The plan will continue to bear limited risk in managing its mix of enrollees.

Testimony Against: None.

Witnesses: Jim Peterson, Medical Assistance Administration; and Gary Christenson, Washington Basic Health Plan (support, but want appropriate funding in Medical Assistance for individuals transferring to First Steps).