

HOUSE BILL REPORT

HB 2018

As Reported by House Committee On:
Health Care

Title: An act relating to the Washington state health insurance pool.

Brief Description: Concerning eligibility requirements for the Washington state health insurance pool.

Sponsors: Representatives Cody, Morrell, Santos, Darneille and Edwards.

Brief History:

Committee Activity:

Health Care: 2/26/03, 3/4/03 [DP].

Brief Summary of Bill

- Changes eligibility for the Washington State Health Insurance Pool to qualify for available federal funds.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 7 members: Representatives Cody, Chair; Morrell, Vice Chair; Campbell, Clibborn, Darneille, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 5 members: Representatives Pflug, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Alexander, Benson and Skinner.

Staff: Dave Knutson (786-7146).

Background:

The Washington State Health Insurance Pool (Pool) is a mechanism that provides comprehensive health insurance to persons who are unable to obtain insurance coverage through the private market. A person cannot apply directly to the Pool for insurance coverage. They must first apply for individual health insurance through the private market and be screened by a health carrier using a standard health screen. If the person fails the screen and is rejected by the health carrier, they are eligible for Pool coverage.

Funding to support the insurance coverage offered through the Pool comes from premiums paid by plan enrollees, assessments from carriers, and any state funds appropriated by the Legislature. Currently, no federal funds are used to support health insurance coverage through the Pool.

In 2002 Congress enacted the Trade Adjustment Act. One of its provisions provides federal funding for state high-risk pools. Funding is available to help states establish or modify their pools to qualify for federal funds, and to cover up to 50 percent of losses incurred by state pools. \$40 million a year in federal funds is available in both 2003 and 2004, with the funds distributed based on each state's uninsured population. The federal statute provides that to be a federally qualified pool, uninsured persons must be able to apply directly to the pool for their insurance coverage.

Summary of Bill:

Eligibility for the Washington State Health Insurance Pool is modified to qualify for available federal funding.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: The federal government has made funding available to support the activities of the Washington State Health Insurance Pool. The state should take advantage of additional federal funds that do not require a state match.

Testimony Against: Expanding the eligibility for entering the Washington State Health Insurance Pool may require insurers to pay larger subsidies if federal funds do not cover all of the costs associated with the proposed expansion.

Testified: (In support) Sean Corry, Consumer Representative, Washington State Health Insurance Pool; and Michael Arris, Office of the Insurance Commissioner.

(Opposed) Mel Sorensen, Employer Healthcare Coalition; Carolyn Logue, National Federation of Independent Business; and Rick Wickman, Premera.