

# HOUSE BILL REPORT

## ESSB 6333

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### As Reported by House Committee On:

Health Care & Wellness

Appropriations

**Title:** An act relating to the creation of a citizens' work group on health care reform.

**Brief Description:** Establishing a citizens' work group on health care.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Kohl-Welles, Marr and McAuliffe).

### Brief History:

#### Committee Activity:

Health Care & Wellness: 2/25/08, 2/27/08 [DPA];

Appropriations: 3/1/08, 3/3/08 [DPA(APP w/o HCW)].

### Brief Summary of Engrossed Substitute Bill

(As Amended by House Committee)

- Establishes a 13-member work group to consider health care reform proposals.

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## HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Cody, Chair; Morrell, Vice Chair; Barlow, Campbell, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Hinkle, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Condotta and DeBolt.

**Staff:** Dave Knutson (786-7146).

### Background:

Over the past 20 years, Washington has enacted several policy and budget initiatives to extend health coverage to individuals and families who did not have access to affordable health insurance. The creation of the Basic Health Plan, the expansion of eligibility for the Medicaid program, the creation of the "Cover All Children" program, and the Health Insurance

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Partnership all combine to extend publically subsidized health coverage to previously uninsured groups. There is still a sizeable population of individuals in Washington who are not covered by health insurance and do not have access to affordable health coverage. There is not a consensus about how best to provide access to affordable, quality health coverage to all Washingtonians. Options to provide increased access to affordable health coverage range from private sector modifications of insurance regulation to public sector expansions of existing publically subsidized programs.

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**Summary of Amended Bill:**

A 13-member work group including nine citizens appointed by the Governor and four legislators will engage in a public process of considering health reform proposals. The work group will report their findings, conclusions, and recommendations to the Governor and the Legislature by December 1, 2009. The Legislature will contract for an independent analysis of five health reform proposals ranging from a market based health coverage plan to a single payer proposal that will provide universal coverage.

**Amended Bill Compared to Engrossed Substitute Bill:**

The citizens work group is reduced from 17 members to 13 members. The work group may hire up to two staff rather than being staffed by the House and Senate committee staff. The work group will engage in a public process around the state after the econometric analysis of health care reform proposals is completed, not before they are conducted. The work group will submit their final report in December 2009, rather than December 2008.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) There needs to be an active engagement with citizens from all walks of life about what to do with our health care system. Health care is too expensive, it is not accessible, and the quality is not high enough. An econometric analysis of several different health care reform proposals will lay the ground work for a new health care system in Washington.

(Opposed) It does not make sense to engage in a public process exploring health care reform before an econometric analysis of various proposals is completed. Engaging in a series of focus groups and grass roots meetings during an election cycle will turn this into a partisan, political process.

**Persons Testifying:** (In support) Senator Keiser, prime sponsor; Mike Kreidler, Office of the Insurance Commissioner; David McLanahan, Physicians for a National Health Program - Western Washington; Kent Davis and Linda Davis, Washington Health Security Coalition; Damiana Merryweather, United Food and Commercial Workers - State Council; Teresa Mosqueda, Children's Alliance; Len McComb, Washington Hospital Association; and Brian Wicks, Washington State Medical Association.

(Opposed) Troy Nichols, National Federation of Independent Business - Washington; Mark Johnson, Washington Retail Association; and Gary Smith, Independent Business Association.

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

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass as amended by Committee on Appropriations and without amendment by Committee on Health Care & Wellness. Signed by 22 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Cody, Conway, Darneille, Ericks, Fromhold, Grant, Green, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Linville, McIntire, Morrell, Pettigrew, Schual-Berke, Seaquist and Sullivan.

**Minority Report:** Do not pass. Signed by 12 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Chandler, Hinkle, Kretz, McDonald, Priest, Ross, Schmick and Walsh.

**Staff:** Wendy Polzin (786-7137).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:**

The Appropriations Committee recommended a striking amendment that will create a 13-member citizen work group on health care reform. The work group is to be staffed by two staff, hired through the Office of Financial Management. The public engagement process contained in the bill will begin no later than January 2009, with a final report of the work group by November 2009. Evaluation of four health care proposals will be submitted to the Governor and Legislature by November 2008.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

### **Staff Summary of Public Testimony:**

(In support) The citizen representation and the analysis contained in the bill will provide grounding for public meetings and allow for an informed discussion. Information like this is

sometimes lacking in other health care discussions. Substantive health care discussions between citizens and legislators are very important. Supporters endorse the idea that universal health care is an achievable objective. Health care costs are high and there are different ways to organize the health care system to improve them. The Blue Ribbon Commission Health Care Costs and Access (BRC) did not have much in the way of citizen involvement as this does. This bill acts on a recommendation of the BRC, which is to take steps ensuring universal health care is available. Supporters would like the citizen involvement portions of the bill to begin earlier.

(Opposed) The bill contains a lot of bureaucracy, and the Senate and House committees could do everything in the bill on their own. It will be difficult to improve on the BRC. Language in the bill is unclear about who is hiring the full-time equivalents (FTE's) for the work group. The bill contains no market-based proposals and nothing on personalized health. Two of the proposals have cost estimates from the Office of Financial Management and will cost in the billions of dollars. There have been many reports already, and in this biennium the money for this bill could be better spent on other things. The presidential election is approaching and with it there will likely be a new approach to health care options, so it would be better to wait or move forward with the BRC's recommendations. Authorizing this work group would be a step backward.

**Persons Testifying:** (In support) Robby Stern, Washington State Labor Council; Len Eddinger, Washington State Medical Association; Bill Daley, Washington Community Action Network; and Lonnie Johns-Brown, League of Women Voters.

(Opposed) Lew McMurrin, Washington Technology Industry Association; and Troy Nichols, National Federation of Independent Business/Washington.

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