

HOUSE BILL REPORT

ESSB 6084

As Reported by House Committee On: Health Care & Wellness

Title: An act relating to requiring maintenance of minimum essential health care coverage.

Brief Description: Exploring enforcement of a requirement to maintain minimum essential health care coverage.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Cleveland, Kuderer, Keiser, Liias, Chase and Conway).

Brief History:

Committee Activity:

Health Care & Wellness: 2/21/18, 2/23/18 [DP].

Brief Summary of Engrossed Substitute Bill

- Requires the Insurance Commissioner to establish a task force on exploring individual mandate enforcement mechanisms.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

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

Minority Report: Do not pass. Signed by 8 members: Representatives Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Caldier, DeBolt, Harris, MacEwen, Maycumber and Rodne.

Staff: Jim Morishima (786-7191).

Background:

Under the federal Patient Protection and Affordable Care Act (ACA), all United States citizens and legal residents must maintain minimum essential health coverage or pay a tax penalty (the tax penalty was set at zero by recently enacted federal legislation). People may comply with this requirement in a variety of ways, including through a state or federal

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program (e.g., Medicaid or Medicare), group coverage (e.g., employer sponsored insurance coverage or self-funded employer coverage), or the individual market. People may purchase individual market insurance on the Health Benefit Exchange (Exchange), through which they may compare plans and access federal premium assistance. People may also purchase individual market coverage outside of the Exchange. State and federal law subject individual market health carriers to a variety of requirements and prohibitions, including guaranteed issue, coverage mandates, community rating, rate review, and minimum medical loss ratios.

Summary of Bill:

The Insurance Commissioner (Commissioner) must convene a task force on exploring individual mandate enforcement mechanisms (Task Force). The Task Force must consist of the following members:

- a representative of the Exchange;
- a representative of the Health Care Authority;
- a representative of the Department of Revenue; and
- the following members appointed by the Commissioner:
 - a representative of issuers;
 - a representative of consumers; and
 - a representative of business groups.

The Task Force must select its chair from among its membership. Meetings of the Task Force must be open to the public and allow for public comment.

The Task Force must review and analyze the feasibility of different options for state enforcement of the requirement to maintain minimum essential coverage and develop recommended options for enforcement. The Task Force must also review and analyze the feasibility of other options to incentivize the maintenance of minimum essential coverage other than a mandate.

The Task Force must report its findings to the Legislature by December 1, 2018. The final report must include an overview of the options reviewed by the Task Force and the Task Force's recommended options.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 22, 2018.

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

Staff Summary of Public Testimony:

(In support) This bill will establish a task force to examine options on how to do an individual mandate in Washington. The individual mandate is important to help ensure access to care and a stable market. There must be a mechanism to incentivize coverage in order to spread costs across as many people as possible. Healthy people must be in the market to make sure people have coverage for chronic diseases. It is difficult to find a state enforcement mechanism due to the lack of an income tax. It is important to have these conversations sooner rather than later. Physicians and hospitals should be allowed to participate in the task force.

(Opposed) None.

Persons Testifying: Erin Dziedzic, American Cancer Society, Susan G. Komen Puget Sound, and Bleeding Disorder Foundation of Washington; Sean Graham, Washington State Medical Association; Chris Bandoli, Washington Hospital Association; Meg Jones, Association of Washington Healthcare Plans; and Courtney Smith, Kaiser Permanente Washington.

Persons Signed In To Testify But Not Testifying: None.