

SENATE BILL REPORT

ESSB 6084

As Passed Senate, February 7, 2018

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 & Long Term Care: 1/09/18, 1/23/18 [DPS, DNP, w/oRec].

Floor Activity:

Passed Senate: 2/07/18, 25-23.

Brief Summary of Engrossed First Substitute Bill

- Directs the Office of the Insurance Commissioner (OIC) to convene a task force to explore individual mandate enforcement mechanisms and report to the Legislature by December 1, 2018.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 6084 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Kuderer, Vice Chair; Conway, Keiser, Mullet and Van De Wege.

Minority Report: Do not pass.

Signed by Senators Rivers, Ranking Member; Bailey and Becker.

Minority Report: That it be referred without recommendation.

Signed by Senator Fain.

Staff: Evan Klein (786-7483)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Affordable Care Act. The Patient Protection and Affordable Care Act (ACA) requires that individuals, unless they meet a specific exemption, ensure that they and any of their dependents maintain minimum essential health care coverage for each month. Anyone not exempted from the minimum essential coverage requirement or exempted from having to pay the penalty, must pay a taxpayer penalty for failing to meet the coverage requirements for one or more months in a year.

Persons with certain religious affiliations, those not lawfully present in the United States, and incarcerated individuals are exempt from the requirement to maintain coverage. Certain individuals who are otherwise not exempt from the coverage requirement, are exempt from having to pay the taxpayer penalty, including individuals whose required contribution for coverage would exceed 8 percent of the individual's household income, taxpayers with income below the filing threshold, members of Indian Tribes, individuals with short coverage gaps, and individuals with certain hardships.

Minimum essential coverage includes coverage through government sponsored coverage programs, employer-sponsored health plans, individual market health plans, grandfathered health plans, and other coverage such as state health benefits risk pools.

Tax Cuts and Jobs Act. On December 22, 2017, the President signed the Tax Cuts and Jobs Act (TCJA) into law. Beginning January 1, 2019, the TCJA reduces all penalties for failing to maintain minimum essential health care coverage to zero.

Summary of Engrossed First Substitute Bill: The OIC is directed to convene a task force to explore individual mandate enforcement mechanisms. The task force is comprised of six members, including representatives of:

- the Health Benefit Exchange;
- the Health Care Authority;
- the Department of Revenue;
- issuers;
- consumers; and
- business groups.

The task force is directed to review and analyze the feasibility of different minimum essential coverage enforcement options, as well as feasibility of other options to incentivize maintained coverage other than a mandate. The task force must submit a report by December 1, 2018, to include an overview of the reviewed and recommended options for enforcement.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* OTHER: This is an important tool for

market stability, but the intent needs to be better understood. The Association of Washington Health Care Plans supports the underlying bill, but is concerned there is no enforcement mechanism.

Persons Testifying: OTHER: Erin Dziedzic, American Cancer Society, Bleeding Disorder Foundation of Washington, Susan G. Komen Puget Sound; Sean Graham, Washington State Medical Association; Chris Bandoli, Washington State Hospital Association.

Persons Signed In To Testify But Not Testifying: No one.