

SENATE BILL REPORT

ESHB 2060

As Reported By Senate Committee On:
Health & Long-Term Care, March 30, 2005
Ways & Means, April 4, 2005

Title: An act relating to expanding participation in state purchased health care programs.

Brief Description: Expanding participation in state purchased health care programs.

Sponsors: House Committee on Health Care (originally sponsored by Representatives Cody, Schual-Berke, Appleton, Morrell, Moeller, Green, Clibborn, Kenney, Upthegrove, Conway, Chase, Darneille, Haigh and Santos).

Brief History: Passed House: 3/14/05, 60-37.

Committee Activity: Health & Long-Term Care: 3/24/05, 3/30/05 [DPA-WM, DNP].
Ways & Means: 4/1/05, 4/4/05 [DPA(HEA), DNP, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Franklin, Kastama, Kline and Poulsen.

Minority Report: Do not pass.

Signed by Senator Parlette.

Staff: Jonathan Seib (786-7427)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Health & Long-Term Care.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Kohl-Welles, Pridemore, Rasmussen, Regala, Rockefeller and Thibaudeau.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Parlette, Pflug and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach.

Staff: Tim Yowell (786-7435)

Background: Although enrollees in Washington's Basic Health Plan are almost exclusively enrolled on a subsidized basis, current law also allows the Health Care Authority to enroll persons on a nonsubsidized basis. Nonsubsidized enrollment peaked in the late 1990s.

However, carrier concern about rising costs made them reluctant to continue to offer the product and enrollment declined substantially. Since 2003, unsubsidized Basic Health Plan coverage has not been available.

Persons seeking an individual health benefit plan in the commercial market are required to complete a standard health questionnaire. The questionnaire is designed to identify the eight percent of persons who are most costly to treat. Based on the results of the questionnaire, a person may either enroll in the Washington State Health Insurance Pool, which is the state's high risk pool, or must be accepted in the individual plan for which they applied.

Persons wishing to enroll in the Basic Health Plan are not required to complete the health questionnaire.

Summary of Amended Bill: A person applying for nonsubsidized enrollment in the Basic Health Plan will be required to complete the standard health questionnaire currently required of applicants for individual health benefit plans in the commercial market. If, based upon the results of the questionnaire, the person does not qualify for coverage under the Washington State Health Insurance Pool, he or she must be accepted for enrollment in the Basic Health Plan.

Amended Bill Compared to Original Bill: The striking amendment moves one section of the bill from a RCW chapter regulating insurance to the RCW chapter regarding the administration of the Basic Health Plan, and adds a cross-reference.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For (Health & Long-Term Care): This bill would give people more choices for coverage in the individual insurance market. This is important because although we have a vibrant market, we have not seen an increase in the number of products available. This bill would make available a plan which included better prescription drug and mental health coverage. The screen will assure that we don't again have a problem with the death spiral adversely effecting the nonsubsidized basic health plan.

Testimony Against (Health & Long-Term Care): None.

Other: We are concerned about the costs that the bill will add to an already very costly Washington State Health Insurance Pool. The costs of the Pool are eventually borne by those who purchase insurance in the commercial market.

Who Testified (Health & Long-Term Care): PRO: Representative Cody, prime sponsor. OTHER: Sydney Zvara, Association of Washington Health Care Plans.

Testimony For (Ways & Means): None.

Testimony Against (Ways & Means): It is unlikely that the non-subsidized program would be less expensive than products already available on the individual health insurance market,

particularly since the purpose of re-activating the non-subsidized program is to provide access to a more comprehensive insurance benefit package. Relatively few people are likely to enroll in the new program, so scarce state funds should not be spent on re-establishing it. Additionally, allowing non-subsidized BHP applicants to be screened into the high-risk pool could increase enrollment in the high-risk pool, and assessments on everyone insured through a group plan. The high-risk pool assessment is already expected to total \$40 million next year, for just 3,000 enrollees.

Who Testified (Ways & Means): CON: Nancy Wildemuth, Regence Blue Shield, Pacifcare, Aetna; Mel Sorenson, America's Health Insurance Plans, Washington Association of Health Underwriters.