

# HOUSE BILL REPORT

## SHB 1312

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### As Passed Legislature

**Title:** An act relating to statutory changes needed to implement a waiver to receive federal assistance for certain state purchased health care programs.

**Brief Description:** Regarding statutory changes needed to implement a waiver to receive federal assistance for certain state purchased public health care programs.

**Sponsors:** House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Jinkins, Green and Kenney).

#### **Brief History:**

##### **Committee Activity:**

Health Care & Wellness: 1/24/11, 2/3/11 [DPS];

Ways & Means: 2/16/11, 2/24/11 [DPS(HCW)].

##### **Floor Activity:**

Passed House: 4/5/11, 57-39.

Passed Senate: 4/20/11, 48-0.

Passed Legislature.

#### **Brief Summary of Substitute Bill**

- Requires the Administrator of the Health Care Authority to identify Basic Health Plan (BHP) enrollees who are eligible for Medicaid and transition them to that program.
- Requires applicants for the BHP to submit a Social Security number, if available, with their application.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Cody, Chair; Jinkins, Vice Chair; Clibborn, Green, Kelley, Moeller and Van De Wege.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Schmick, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Bailey and Harris.

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*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.*

**Staff:** Chris Blake (786-7392).

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## HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** The substitute bill by Committee on Health Care & Wellness be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle, Cody, Dickerson, Haigh, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer and Sullivan.

**Minority Report:** Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Hinkle, Parker, Ross, Schmick and Wilcox.

**Staff:** Erik Cornellier (786-7116).

### **Background:**

#### State Health Care Programs for Low-Income Individuals.

The Basic Health Plan (BHP), Disability Lifeline (DL), and the Alcohol and Drug Addiction Treatment and Support Act program (ADATSA) are three of the largest programs in Washington that provide health care coverage to low-income individuals with state-only funds.

The Health Care Authority (Authority) administers the BHP, which is a health care insurance program that assists enrollees by providing a state subsidy to offset the costs of premiums. Residents of Washington with an income of less than 200 percent of the Federal Poverty Level are eligible for enrollment in the BHP. In addition, the enrollee must not be: (1) eligible for Medicare; (2) institutionalized; or (3) in school on a temporary work visa.

In addition to administering the Medicaid program, the Department of Social and Health Services (Department) administers the medical care services program with state-only funds. Medical care services programs provide medical benefits to individuals enrolled in the DL and ADATSA programs. To be eligible for the DL program, an applicant must meet the same financial criteria as in the Temporary Assistance for Needy Families program and be incapacitated from gainful employment because of a physical or mental condition that is expected to last more than 90 days.

To be eligible for the ADATSA program, an individual must meet financial and incapacity eligibility criteria. The financial eligibility criteria are also equivalent to those in the Temporary Assistance to Needy Families program. The incapacity eligibility criteria are met when the applicant: (1) has a diagnosed chemical dependency on a psychoactive substance class; (2) has not abstained from alcohol and drug use during the prior 90 days; (3) has not been gainfully employed during the prior 30 days; and (4) is unable to work.

#### Federal Waiver.

Medicaid is a federal-state program that provides health care services to specified categories of low-income individuals pursuant to federal standards. States may request a waiver from federal requirements for experimental, pilot, or demonstration projects. The 2010 supplemental budget directed the Authority and the Department to seek a waiver from the federal government to support some of the enrollees on the BHP and DL programs. As of January 2011 the federal government has issued the terms and conditions for granting a waiver. Under the terms of the waiver, the federal government will provide matching funds to Washington for those enrollees in the BHP, DL, and ADATSA programs whose income is at or below 133 percent of the Federal Poverty Level and who are citizens or eligible qualified aliens.

**Summary of Substitute Bill:**

Individuals who are eligible for federally financed categorically needy or medically needy medical assistance programs cannot enroll in the Basic Health Plan (BHP). The Administrator of the Health Care Authority must identify BHP enrollees who are currently eligible for other coverage and transition them to federally financed medical assistance programs. Applications for enrollment in the BHP must include a Social Security number, if available, for each family member requesting coverage. Applications for the BHP shall also be considered an application for medical assistance.

The Department of Social and Health Services is authorized to suspend new enrollment in medical care services for Disability Lifeline applicants and establish a waiting list of those who are eligible once there are sufficient funds.

People subject to termination from Disability Lifeline (DL) benefits due to time limits remain enrolled in medical care services. People subject to denial of DL benefits due to time limits remain eligible for medical care services.

Technical corrections are made to fix erroneous references.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) This bill supports a waiver that can be a bridge to federal health reform. The Disability Lifeline reference is confusing and should be stripped from the bill. There may be unintended consequences regarding requirements that applicants not be eligible for federally financed benefits which may exclude people eligible for the Alien Emergency Medical and Take Charge programs.

Basic Health supports preventative care and assures access to care and protection from catastrophic costs. The requirement for a Social Security number does not determine eligibility for a federal match and needs to be refined.

(Opposed) None.

**Staff Summary of Public Testimony (Ways & Means):**

(In support) None.

(Opposed) None.

**Persons Testifying (Health Care & Wellness):** Molly Firth, Community Health Plan and Community Health Network of Washington; and Sofia Aragon, Washington State Nurses Association.

**Persons Testifying (Ways & Means):** None.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** None.