

# HOUSE BILL REPORT

## 2SSB 5945

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**As Reported by House Committee On:**  
Health Care & Wellness  
Health & Human Services Appropriations

**Title:** An act relating to creating the Washington health partnership plan.

**Brief Description:** Creating the Washington health partnership plan.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Franklin and Kohl-Welles).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 3/20/09, 3/26/09 [DPA];

Health & Human Services Appropriations: 4/1/09, 4/3/09 [DPA(APPH w/o HCW)].

**Brief Summary of Second Substitute Bill  
(As Amended by House)**

- Creates the Washington Health Partnership Advisory Committee consisting of the Secretary of the Department of Social and Health Services (DSHS), Administrator of the Health Care Authority, Director of the Office of Financial Management, the Insurance Commissioner, the Director of the Department of Labor and Industries, members of the forum, the Puget Sound Health Alliance, the Healthy Washington Coalition, the National Federation of Independent Business, two senators, and two members of the House of Representatives.
- Directs the DSHS to submit a waiver request to the Department of Health and Human Services (DHHS) to expand and revise the medical assistance program to cover adults below 200 percent of the federal poverty level in an Apple Health Program for Adults.
- Directs the DSHS to submit waiver requests to the DHHS to continue coverage for sexually transmitted disease testing and treatment and return to the eligibility standards used in 2005 related to citizenship determination, insurance eligibility, confidential service for minors and survivors of domestic violence and sexual violence, and increasing the income eligibility to 250 percent of the federal poverty level.

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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.*

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## HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Cody, Chair; Driscoll, Vice Chair; Campbell, Clibborn, Green, Kelley, Moeller, Morrell and Pedersen.

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

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

### **Background:**

The 2008 Legislature passed Engrossed Senate Substitute Bill 6333 calling for an analysis of five health care reform proposals, including the Washington Health Partnership (Partnership) as outlined in legislation. The Legislature contracted with Mathematica Policy Research, Inc., (Mathematica) to model the coverage and economic impacts of each proposal, and they presented their initial analysis to the Legislature in January 2009.

The Department of Social and Health Services (DSHS) and the Health Recovery Services Administration administer the state's medical assistance programs which include Medicaid and the State Children's Health Insurance Programs (SCHIP). The federal programs are established in the Social Security Act under Titles XIX and XXI, respectively. In general, the Medicaid program has categorical eligibility that focuses on low-income children, low-income families, or low-income individuals that meet the aged, blind, or disabled definitions.

Although state law has realigned the medical assistance programs for children as one unified program under Apple Health Program for Kids, specific programmatic functions remain separately outlined in federal Medicaid and SCHIP law, with some variations. For example, Title XIX Medicaid programs are authorized to participate in Employer-Sponsored Insurance (ESI) programs that "buy" enrollees into their employer coverage when it is cost-effective for the state to do so. To date, the Title XXI SCHIP program has not been included in the ESI option, nor have the SCHIP children been included in the federal Vaccines for Children program that largely finances the vaccines for all Medicaid children.

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### **Summary of Amended Bill:**

The Partnership Advisory Group is established to monitor the status and outcomes of state activities and federal actions related to health care reform. The Advisory Group will follow federal legislation related to health care reform in order to align state efforts with any federal health care reform.

The Partnership Advisory Committee includes the Secretary of the DSHS, Administrator of the Health Care Authority, Director of the Office of Financial Management, the Insurance Commissioner, the Director of the Department of Labor and Industries, members of the

forum, the Puget Sound Health Alliance, the Healthy Washington Coalition, two senators, and two members of the House of Representatives.

The DSHS will develop a proposal to the federal government to expand and revise the public medical coverage through Medicaid; extending coverage to low-income individuals with family income below 200 percent of the federal poverty level.

The DSHS must seek modifications to the family planning waiver that return to eligibility standards used in 2005 and, within funds provided for this purpose, expand access to up to 250 percent of the federal poverty level.

**Amended Bill Compared to Original Bill:**

The independent Partnership Group is replaced with the Advisory Group. The requirement that the Office of Financial Management conduct specific analyses of health care reform proposals is deleted. The requirement that the Department of Health attempt to maximize federal funding for children who do not qualify for Medicaid is removed.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) It is important to continue working on health care reform in Washington. The study of health care reform proposals by Mathematica forms a foundation to build upon. A partnership of public and private entities needs to develop a legislative proposal to cover all residents of Washington by 2012. Young people and older people who are not yet eligible for Medicare coverage are at highest risk of being uninsured or underinsured. We need a program that will ensure affordable, quality health care coverage for everyone.

(Information only) Public-sector solutions are not effective. Less state regulation in the health care market will result in more cost-effective solutions.

(Opposed) A public-sector expansion of health coverage is expensive and unaffordable. Less expensive coverage options should be made available through the private sector.

**Persons Testifying:** (In support) Senator Keiser, prime sponsor; Sarah Cherin, Healthy Washington Coalition; Len McComb, Hospital Association; Ingrid McDonald, American Association of Retired Persons; and Bev Spears, Washington Community Action Network.

(Information only) Roger Stark, Washington Policy Center.

(Opposed) Troy Nichols, National Federation of Independent Business; Patrick Connor, Washington Farm Bureau; and Don Conant, Valley Nut and Bolt.

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

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## HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS

**Majority Report:** Do pass as amended by Committee on Health & Human Services Appropriations and without amendment by Committee on Health Care & Wellness. Signed by 10 members: Representatives Pettigrew, Chair; Seaquist, Vice Chair; Appleton, Cody, Dickerson, Miloscia, Morrell, O'Brien, Roberts and Wood.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Schmick, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Ericksen, Johnson and Walsh.

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

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

A goal of providing all Washingtonians with access to affordable and effective health care by 2014 is included. The Advisory Group will include a representative from the National Federation of Independent Business. Advisory Group members will not be reimbursed for travel expenses or per diem. The Advisory Group will be terminated on June 30, 2010. The DSHS will implement the expansion of the family planning waiver to people under 250 percent of the federal poverty level within existing funds.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** 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 connects Washington to the Obama Administration's principles on health care reform. States should not wait for federal action, and they can serve as incubators for reform. Washington should be proactive in these efforts.

The waiver will allow Washington to draw federal matching funds for people that are currently in state-funded programs. The costs are outweighed by the possible long-term benefits of covering everybody under 200 percent of the federal poverty level. This would insure 71 percent of Washington's uninsured.

(With concerns) The bill should be amended to require the DSHS to implement the family planning waiver within available funds.

The business community is concerned with the lack of representation by employers on the Advisory Group.

(Opposed) None.

**Persons Testifying:** (In support) Sarah Cherin, Healthy Washington Coalition; and Jeff Johnson, Washington State Labor Council.

(With concerns) Patrick Connor, Farm Bureau; and Jennifer Allen, Planned Parenthood.

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