

HOUSE BILL REPORT

ESHB 2797

As Amended by the Senate

Title: An act relating to providing access to the basic health plan for individuals eligible for the health coverage tax credit under the Trade Act of 2002 (P.L. 107-210).

Brief Description: Increasing access to health insurance options for certain persons eligible for the Federal Health Coverage Tax Credit under the Trade Act of 2002 (P.L. 107-210).

Sponsors: By House Committee on Health Care (originally sponsored by Representatives Morrell, Cody, Linville, G. Simpson, Edwards, Kenney and Ormsby; by request of Insurance Commissioner).

Brief History:

Committee Activity:

Health Care: 1/28/04, 2/4/04 [DPS].

Floor Activity:

Passed House: 2/14/04, 95-0.

Senate Amended.

Passed Senate: 3/11/04, 49-0.

Brief Summary of Engrossed Substitute Bill

- Provides Basic Health Plan coverage for workers displaced by the effects of international trade who are eligible for federal trade adjustment assistance benefits.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Morrell, Vice Chair; Bailey, Ranking Minority Member; Alexander, Benson, Campbell, Clibborn, Darneille, Edwards, Moeller, Rodne, Schual-Berke and Skinner.

Staff: Dave Knutson (786-7146).

Background:

One of the effects of international trade is domestic job loss and dislocation. To help workers who lose their jobs as a result of international trade, Congress enacted the Trade Act of 2002 (P.L. 107-210). The Trade Act provides a federal tax credit that subsidizes private health insurance coverage for displaced workers certified to receive certain trade adjustment assistance benefits and for persons over age 55 who receive benefits from the pension benefit guaranty corporation.

Summary of Engrossed Substitute Bill:

The administrator of the Health Care Authority will collect premiums for the Basic Health Plan from health coverage tax credit eligible enrollees in an amount sufficient to cover the cost charged by the managed health care system provider, plus the administrative cost of providing the plan to the enrollee. The administrator will establish a mechanism for receiving premium payments from the Internal Revenue Service for health coverage tax credit eligible enrollees. The administrator is authorized to end the participation of persons eligible for the Basic Health Plan if the federal government reduces or terminates financial support for them.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment authorizes the Health Care Authority to prospectively adjust premiums to ensure it covers the full cost of care. Carriers that serve subsidized enrollees are not required to serve health coverage tax credit enrollees. The ability of an individual to apply for individual health insurance without taking the health screen, following enrollment in the Basic Health Plan under the Health Coverage Tax Credit program, is removed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: People who lose their job because of international trade need a way to maintain their health insurance. The federal government offers a health coverage tax credit, and the state should help eligible workers take advantage of it.

Testimony Against: None.

Persons Testifying: (In support) Beth Berendt, Office of the Insurance Commissioner; Robby Stern, Washington State Labor Council; and Pete Cutler, Health Care Authority.

Persons Signed In To Testify But Not Testifying: None.