

FINAL BILL REPORT

SSB 6307

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SYNOPSIS AS ENACTED

Brief Description: Clarifying health care authority powers and duties.

SPONSORS: Senate Committee on Health & Human Services (originally sponsored by Senators Talmadge and Winsley; by request of Health Care Authority)

SENATE COMMITTEE ON HEALTH & HUMAN SERVICES

SENATE COMMITTEE ON WAYS & MEANS

BACKGROUND:

The Health Care Authority (HCA) purchases health insurance for state employees, some school district employees and other public employees. It administers the Basic Health Plan, provides grants to community and migrant health centers and performs other duties related to the state's purchase of health care.

The HCA Administrator hears appeals and makes final decisions on complaints regarding HCA administrative determinations. The practice is time-consuming for the Administrator and is sometimes criticized as unfair to enrollees.

The Public Employee Benefits Board within HCA may pursue various strategies to contain health care costs, including limiting the state's contribution for employee plans to a percentage of a lowest priced plan. Under current law, if this is done, employee financial contributions must be structured on a sliding fee basis related to employee household income. The HCA does not keep employee household information, and would incur additional costs to begin doing so if this provision becomes operational.

The HCA Administrator must survey and report on the cost and quality of health services provided within the private sector. The HCA has been unable to comply with this requirement because much of the information which must be obtained to complete the survey is proprietary and not available to the HCA.

The HCA may not accept a person for subsidized enrollment in the Basic Health Plan (BHP) if he or she has more comprehensive coverage than offered by BHP at the time of applying.

The BHP may purchase insurance for any resident of the state who wishes to pay 100 percent of the BHP costs, including applicable state administrative costs and "the appropriate premium tax as provided by law." However, a blanket exemption of BHP from all of Title 48 RCW enacted as part of the publicly subsidized portion of that program may exempt unsubsidized coverage purchased by BHP from the 2 percent premium tax required of all insurers. Some are concerned that if unsubsidized BHP purchased insurance plans do not pay the 2 percent premium tax, BHP will have an unfair market advantage in comparison to purely privately offered health insurance plans.

SUMMARY:

The date upon which the HCA must begin managed competition with state purchased health care is moved from January 1, 1995, as in current law, to July 1, 1995.

The HCA Administrator may delegate any power or duty vested in him or her, including the authority to make final determinations under the Administrative Procedure Act.

The Administrator's duty to regularly survey and report on private and public insurance offered to employees is removed.

The Administrator's duty to exclude applicants from subsidized enrollment in the BHP if they have more comprehensive health insurance is modified. Under the terms of the act, the time for determining the presence of more comprehensive coverage is changed from the time of application to the time of enrollment in BHP. In addition, they may only be excluded if they voluntarily relinquished more comprehensive coverage.

The exemption of the BHP from Title 48 RCW is modified to clarify that it does not apply to the payment of the 2 percent premium tax by unsubsidized BHP insurance plans.

VOTES ON FINAL PASSAGE:

Senate	39	10	
House	53	41	(House amended)
Senate	36	11	(Senate concurred)

EFFECTIVE: June 9, 1994