

HOUSE BILL REPORT

HB 1714

As Reported By House Committee On:

Health Care
Appropriations

Title: An act relating to basic health plan eligibility for persons eligible for medicare.

Brief Description: Establishing basic health plan eligibility for certain persons eligible for medicare.

Sponsors: Representative McMorris.

Brief History:

Committee Activity:

Health Care: 2/24/97, 3/4/97 [DPS];

Appropriations: 3/7/97 [DP2S(w/o sub HC)].

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Skinner, Vice Chairman; Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Anderson; Conway; Parlette; Sherstad; Wood and Zellinsky.

Staff: Antonio Sanchez (786-7383).

Background: Medicare is a federal health insurance program for people 65 or older and certain disabled people. It is administered by the Health Care Financing Administration of the U.S. Department of Health and Human Services. Medicare has two parts: Medicare Part A refers to hospital insurance, limited nursing home care, home health, and hospice; Medicare Part B refers to doctor's services, outpatient hospital services, durable medical equipment, and other medical services and supplies not covered under Part A. Part A has deductibles and coinsurance, but most people do not have to pay premiums for Part A. Part B has premiums, deductibles, and coinsurance amounts that you must pay yourself or through coverage by another insurance plan.

Generally, people age 65 and older can get premiums-free Medicare Part A benefits, based on their own or their spouses employment. Premium-free means there are no

premium payments. You can get premium-free Medicare Part A if you are 65 or older and any of these three statements are true:

- You receive benefits under the Social Security or Railroad Retirement System.
- You could receive benefits under Social Security or the Railroad Retirement system but have not filed for them.
- You or your spouse had Medicare-covered government employment.

Some people 65 or older have Part B, but do not have enough Social Security work credits for premium-free Part A. Persons in this category qualify for Part A premiums, however, they must pay a monthly premium. This is called premium hospital insurance.— If a person or their spouse has 30 or more quarters of Social Security work credits but does not have enough work credits to qualify for premium-free Medicare Part A he or she are required to pay a portion of the Medicare Part A payment. Those with 30 or less quarters of Social Security work credits must pay all of the Medicare Part A premium.

One of the criteria that enrollees must meet to be eligible for coverage under the Basic Health Plan as a subsidized enrollee is to not be eligible for Medicare. A segment of the population meets all the requirements for being a subsidized enrollee in the Basic Health Plan, except that they qualify for Medicare Part A coverage. Under current law, this segment of the population cannot get on the Basic Health Plan because the law stipulates that only those not eligible for Medicare are eligible.

The Health Care Authority has estimated that approximately 7,420 to 11,414 people in the state of Washington are eligible for Medicare Part A, have an income of less than 200 percent of poverty, and are not enrolled in Medicare Part A or Part B.

Summary of Substitute Bill: Persons who are eligible for Medicare Part A, but must pay all or part of their Part A premium, are eligible for the Basic Health Plan as a subsidized enrollee. The Health Care Authority may adopt standards defining eligibility of persons who pay Part A premiums based on the person's income and the cost of Medicare Part A premiums. Technical clarification is made to the term Medicare and Medicare Part A.

Substitute Bill Compared to Original Bill: The substitute bill modifies the eligibility requirements by making further restrictions on those who would qualify to enroll in the Basic Health Plan as a subsidized enrollee. The enrollee must demonstrate that he or his spouse worked for an employer who did not provide contributions to Social Security on behalf of the individual or the spouse. It gives the administrator the ability to establish further criteria for eligibility for persons who are not currently eligible because of their Medicare status.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed except for sections 1 and 2 which take effect on January 1, 1998.

Testimony For: Some people have found themselves in an unfortunate situation because they have chosen not to pay the premiums for Medicare, yet because they qualify technically, they cannot be eligible as a subsidized enrollee in the Basic Health Plan, which would be the least costly option for them.

Testimony Against: None.

Testified: Representative McMorris, prime sponsor; and Beth Berendt, Health Care Authority.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 29 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Dyer; Grant; Keiser; Kenney; Kessler; Linville; Lisk; Mastin; McMorris; Parlette; Regala; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Beth Redfield (786-7130).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Health Care: A null and void clause was added.

Appropriation: None.

Fiscal Note: Available.

Effective Date Ninety days after adjournment of session in which bill is passed except for sections 1 and 2 which take effect on January 1, 1998. However, the bill is null and void unless funded in the budget.

Testimony For: None.

Testimony Against: None.

Testified: None.