

HOUSE BILL REPORT

HB 2461

As Reported by House Committee On:

Health Care

Title: An act relating to federal waiver requests affecting the medical assistance program.

Brief Description: Requiring legislative approval of federal waivers to the medical assistance program.

Sponsors: Representatives Schual-Berke, Campbell, Cody, Edwards, Conway, Darneille, Lysen, Chase, Wood, Pflug and Kenney.

Brief History:

Committee Activity:

Health Care: 1/29/02, 2/7/02 [DPA].

Brief Summary of Amended Bill

- Requires the Department of Social and Health Services to request legislative approval prior to implementing the section 1115 federal demonstration waiver submitted to the federal government in November 2001.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass as amended. Signed by 11 members: Representatives Cody, Chair; Schual-Berke, Vice Chair; Campbell, Ranking Minority Member; Alexander, Ballasiotes, Benson, Conway, Darneille, Edwards, Ruderman and Skinner.

Staff: Dave Knutson (786-7146).

Background:

Section 1115 of the Social Security Act grants the secretary of the Health and Human Services the authority to waive certain provisions in federal legislation that relate to the medicaid program and the State Children's Health Insurance Program (SCHIP).

Demonstration projects under the section 1115 waiver authority typically investigate issues of interest to the Centers for Medicare and Medicaid Services (CMS), test a program or concept, or fulfill a research purpose. Waiver requests from states must include measurable objectives and an evaluation component. Most projects authorized

under section 1115 waivers are given five years to demonstrate outcomes, but they may be extended for longer periods of time. States that request section 1115 waivers must demonstrate budget neutrality over the life of the project.

The Department of Social and Health Services submitted a section 1115 waiver request to the federal government on November 1, 2001. The waiver requests flexibility to adopt cost-sharing, make benefit design changes, and impose enrollment limits in the medicaid program. It also requests federal permission to use its unspent federal SCHIP allotment to expand coverage to parents with medicaid and SCHIP eligible children through the Basic Health Plan. The department estimates in its section 1115 waiver request that an additional 20,000 people could be covered if federal permission is received.

The department stated in its waiver request that the Legislature must authorize any changes in the medicaid program or the SCHIP program in Washington, prior to any changes taking effect.

Summary of Amended Bill:

The Department of Social and Health Services must submit the section 1115 waiver requested of the federal government in November 2001, to the appropriate policy committees of the Senate and House of Representatives. The department must request legislative approval codified in chapter 74.09 RCW prior to implementing any section 1115 federal demonstration waivers that reduce eligibility, modify benefits, or establish waiting lists for the medicaid program.

Amended Bill Compared to Original Bill:

The bill is narrowed to only apply to the section 1115 waiver submitted by the Department of Social and Health Services in November 2001. The changes authorized under the waiver must be codified in chapter 74.09 RCW.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: The flexibility requested in this waiver is needed to help control rising costs in the Medicaid program.

Testimony Against: Copays, deductibles, and waiting lists should not be imposed on

low-income people who qualify for Medicaid coverage.

Testified: (Support) Dennis Braddock and Doug Porter, Department of Social and Health Services; Sue Elliott, The Arc of Washington; Sam Cullison, Washington State Medical Association; Andrea Stephensen, The Empower Alliance; Dave Wood, Action for RHCs; Len McComb, Washington State Hospital Association; Roy Simms, American Academy of Pediatrics; Suzanne Stauffer; Cathy Gaylord, Washington Community Mental Health Council; Roger Valdez, Sea-Mar Community Health Clinics; Wayne Clare and Patricia DeBoer, National Alliance for the Mentally Ill.

(Support with Changes) Julie Chinitz, Northwest Health Law Advocates; Cherie Tessier; Andrea Abrahamson, Washington Protection and Advocacy; Barb Flye, Washington Citizens Action; Paola Moranan, Children's Alliance; Ellie Menzies, Service Employees International Union; and Nick Federici, American Association of Retired Persons and Lung Association.