

SENATE BILL REPORT

SB 5423

As Reported By Senate Committee On:
Health & Long-Term Care, February 8, 2001

Title: An act relating to health care benefits for individuals with disabilities.

Brief Description: Continuing health care benefits for individuals with disabilities.

Sponsors: Senators Fairley, McAuliffe, Kohl-Welles, Patterson, Franklin, Eide, Regala, Shin, Oke, Winsley, Kline, Prentice, Costa, Long, Carlson, Thibaudeau, Parlette, Gardner and Rasmussen; by request of Governor Locke.

Brief History:

Committee Activity: Health & Long-Term Care: 1/29/01, 2/8/01 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Thibaudeau, Chair; Franklin, Vice Chair; Costa, Deccio, Fraser, Parlette and Winsley.

Staff: Chelsea Buchanan (786-7446)

Background: Many people with disabilities face disincentives to work or progress in employment, due to potential loss of Medicaid coverage.

The federal Ticket to Work and Work Incentives Improvement act of 1999 gave states the option to extend Medicaid coverage to working people with disabilities whose incomes would otherwise disqualify them for benefits. Under this law, states are allowed to set their own income and asset guidelines, and implement premiums, cost-sharing, copayments, or other fees. People with disabilities who meet the state's guidelines may choose to buy in to the state's plan. Eleven states have since implemented such programs.

During the 2000 session, Washington legislation to create a Medicaid buy-in plan passed the House (HB 2364). A budget proviso requested a Washington State Institute for Public Policy study. The study, "Medicaid Expansion for Employed Persons with Disabilities: Costs and Benefits of the 'Ticket to Work' Buy-In," was published in November 2000.

Summary of Bill: The Legislature finds that individuals with disabilities face many barriers and disincentives to employment. The Legislature intends to strengthen the state's policy of supporting individuals with disabilities in leading fully productive lives by supporting the implementation of the Federal Ticket to Work and Work Incentives Improvement act of 1999.

The state expands Medicaid eligibility to include working people with disabilities. The Department of Social and Health Services (DSHS) may also extend non-Medicaid medical

care services (MCS) for up to 12 months for persons who become ineligible for cash benefits through state general assistance because of gaining employment.

In each case, DSHS is given the authority to establish the income, asset, and cost-sharing requirements for the program in order to administer it within available funds. DSHS must make every effort to coordinate benefits with any employer-sponsored coverage available to the person.

Appropriation: None.

Fiscal Note: Requested on January 22, 2001.

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

Testimony For: People with disabilities cannot choose to go to work if that choice means bankrupting themselves and family to keep medical coverage. Passage of this bill will make health care more accessible. Fear of losing medical coverage is a significant barrier to getting work. Medical coverage at work helps stabilize a person and helps them keep the job. Many times an individual with disabilities, or their family, will refuse a job opportunity through vocational rehabilitation because of fear of losing medical benefits, even if a job would be very beneficial to the individual. Work enhances self-esteem of people with mental illness and gives them new resources and skills. To recover, a person needs to be part of a community; part of being in a community is working. Providing this kind of medical coverage has the potential to decrease incarceration and hospitalization and save the state money. Testimony with concerns: We highly support extending medical coverage for people losing general assistance benefits beyond the 12 months in the bill. We would like to add language to the bill or see a Department of Social and Health Services memorandum to the effect that new coverage will be fee-for-service and not Healthy Options.

Testimony Against: None.

Testified: Senator Darlene Fairley, prime sponsor (pro); Ann Ballard, DSHS Belltown CSO (pro); Jim Eddy, Rehabilitation Enterprises of Washington (pro); Eleanor Owen, WAMI and MHA of Washington (pro); Erik Bjodstrup, WAMI (pro); Clifford Thurston, New Century Consumer Coalition (pro); Ken Bertrand, Group Health (pro with concerns); Andrea Stephens, Empower Alliance (pro); John Atherton, DSHS (pro).