
Health Care Committee

HB 2785

Brief Description: Increasing access to health insurance coverage.

Sponsors: Representatives Cody, Morrell, Conway, Simpson, G., Dickerson, Lantz and Murray.

Brief Summary of Bill

- Imposes a fee on large employers to be used to purchase health insurance for employees.
- Authorizes the Health Care Authority to use Basic Health Plan (BHP) funds to subsidize employee premium shares for employer sponsored health insurance.
- Small employers may enroll as a group in the BHP and have their costs subsidized from savings accruing from the conversion of subsidized BHP enrollees to fee supported enrollees.

Hearing Date: 1/28/04

Staff: Dave Knutson (786-7146).

Background:

Employees of many large employers do not have access to health insurance through their employer. An employer is free to choose whether to offer health insurance coverage to their employees. If these employees sign up for coverage through the Basic Health Plan or the Medicaid program, the public subsidizes the cost of their health care. Employers who do not provide health insurance for their employees do not directly contribute to the cost of publically subsidized health insurance.

Summary of Bill:

Employers with more than 50 full time equivalent employees will be assessed a fee for every employee working over 86 hours per month. The fees will be sufficient to pay for Basic Health Plan (BHP), Medicaid, or State Children's Health Insurance Program coverage for all enrollees and their dependents. Employers that provide health coverage for their employees may deduct from the fee the average amount paid by the employer per employee for providing health insurance coverage.

The Health Care Authority (HCA) is authorized to use BHP funds to subsidize employee premium shares for employer-sponsored health insurance offered through small employers. If savings

result from the conversion of subsidized BHP enrollees to fee supported enrollees, the HCA will establish a mechanism for small employer enrollment in the BHP. Public subsidies will be limited to employers who have at least 75 percent of their employees with wages below 200 percent of the federal poverty level, and agree to pay 40 percent of the premium, with the employee paying 20 percent, and the state paying 40 percent.

The HCA will conduct a study related to cost containment and quality improvement in the state's health care delivery system.

Appropriation: None.

Fiscal Note: Requested on January 23, 2004.

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