
Appropriations Committee

HB 3204

Brief Description: Allowing basic health plan benefits for home care agency providers.

Sponsors: Representatives Sommers and Cody.

Brief Summary of Bill

- Creates a new category of Basic Health Plan(BHP) enrollee for employees of home care agencies.
- Home care agencies may purchase BHP coverage for their employees at a cost equal to the cost, plus administrative expenses, that the Health Care Authority is charged by managed care providers for the coverage.
- Home care agency enrollee premiums equal the lowest currently paid by BHP subsidized enrollees - currently \$17 per month.

Hearing Date: 2/26/04

Staff: David Pringle (786-7310).

Background:

The Basic Health Plan (BHP) was created in 1987 to provide access to health insurance for low-income Washington residents. It now provides state-funded subsidized coverage, through contracts with managed care plans, to approximately 100,000 enrollees statewide.

The BHP is administered by the Health Care Authority (HCA) pursuant to guidelines established in statute. Any person not eligible for Medicare, with a gross family income of up to 200 percent of the federal poverty level, is eligible for subsidized coverage.

Agency home care providers offer assistance to elderly and disabled individuals with daily activities such as eating, dressing, and bathing to enable them to remain in their own homes. The Aging and Disability Services Administration (ADSA) of the Department of Social and Health Services (DSHS) contracts with the 13 Area Agencies on Aging, which then subcontract with agency providers for home care services to individuals qualifying for publicly-funded care after meeting certain functional and financial requirements.

Funding is provided by the state to pay home care agencies for health care benefits to home care agency workers through the subsidized BHP or substantially equivalent benefits from an

alternative plan. Home care workers who earn less than 200 percent of the federal poverty level are eligible for participation in the BHP. Home care agency workers who have family incomes in excess of 200 percent of the federal poverty level cannot enroll in the BHP, and are provided by their employers with "substantially equivalent" non-BHP health benefits. Each Area Agency on Aging evaluates and authorizes non-BHP home care agency health plan for substantial equivalency, and then reimburses the home care agency for employer premiums.

The 2003 Legislature reduced the BHP benefit package that would be offered beginning January 1, 2004 by 18 percent in value. However, ADSA found that health insurance carriers would not likewise reduce the benefit package of the substantially equivalent plans for home care agency providers. Area Agencies on Aging were thereafter authorized to also authorize home care provider plans as substantially equivalent to the BHP if they were plans approved prior to the 2003 Legislature's reduction of the BHP benefit package.

The most recent data available suggest that there are about 300 agency home care workers in the BHP at a cost to the state of about \$217 per month per employee, and that there are about 2,200 agency home care workers whose employers are being reimbursed for substantially equivalent benefit plans at an average of \$362 per month per employee.

Summary of Bill:

A "home care agency enrollee" category of BHP enrollee is established, defined as any employee of a home care agency under contract with DSHS to provide home care services to elderly and disabled clients. Enrollment in the BHP is available to agency home care providers only to the extent that specific funding is provided for that purpose.

Home care agency enrollee employee co-premiums for BHP benefits are set at the lowest premium paid by subsidized enrollees in the BHP. In 2004, this premium is \$17 per month.

Home care agency employer premiums are set at the amount HCA is charged by contract with a managed care plan, plus the administrative cost of providing the plan to home care agency enrollees.

The Administrator of HCA is authorized to contract for health care services for each type of BHP enrollee (subsidized, nonsubsidized, or home care agency) either individually, or in groups.

If any part of the act is found in conflict with federal requirements that are a prescribed condition to the allocation of federal funding to the state, the act is inoperative to the extent of the conflict.

Appropriation: None.

Fiscal Note: Requested on February 23, 2004.

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