

# SENATE BILL REPORT

## HB 2018

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As of March 26, 2003

**Title:** An act relating to the Washington state health insurance pool.

**Brief Description:** Concerning eligibility requirements for the Washington state health insurance pool.

**Sponsors:** Representatives Cody, Morrell, Santos, Darneille and Edwards.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 3/26/03.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Jonathan Seib (786-7427)

**Background:** The Washington State Health Insurance Pool (WSHIP) is an entity established in statute to provide comprehensive health insurance to persons who, due to their health status, are unable to obtain coverage through the private market. Enrollees' premiums are capped, and losses in the pool are made up through an assessment charged all health carriers in the state.

A person cannot apply directly to WSHIP for insurance coverage. Instead, he or she must first apply for an individual health plan through the private market and be screened by a health carrier using a standardized health questionnaire. Depending on the results of the questionnaire, the person may be rejected by the carrier, in which case he or she is eligible for WSHIP coverage.

In the 2002 Trade Act, Congress provided federal funding for state high-risk pools such as WSHIP. Up to \$1 million per state is available to help develop a qualified high-risk pool in any state that does not have one. An additional \$40 million is available in both 2003 and 2004 to help qualified pools cover their losses, with funds distributed based on each state's uninsured population. Preliminary estimates suggest that if WSHIP were a qualified pool, it would receive approximately \$780,000 each year. To be qualified, however, the law requires that the pool allow certain persons (known as "HIPAA-eligibles") to apply to it directly for their insurance coverage.

The Trade Act also creates a federal health coverage tax credit (HCTC), for which a large number of Washington residents are reportedly eligible, that covers 65 percent of the premium paid for qualified health insurance coverage. Qualified health insurance coverage includes a state high-risk pool, but again, only if the pool allows HIPAA-eligibles to apply to it directly for their insurance coverage.

**Summary of Bill:** HIPAA-eligible and HCTC-eligible persons may enroll directly in the Washington State Health Insurance Pool without first taking the standard health questionnaire and being rejected by a private carrier.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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