

SENATE BILL REPORT

SHB 3204

As of March 10, 2004

Title: An act relating to basic health plan benefits for home care agency providers.

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

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Sommers and Cody).

Brief History:

Staff: Tim Yowell (786-7435)

Background: The Basic Health Plan (BHP) provides state- subsidized health insurance coverage to approximately 100,000 regular enrollees and to 1,300 home care workers statewide. To the extent funds are available, 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.

The state provides funding for home care agencies to purchase health care benefits for their employees, either through the subsidized BHP, or through an alternative plan that provides substantially equivalent benefits. 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, or who are eligible for Medicare, 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 plans for substantial equivalency, and then reimburses the home care agency for employer premiums.

The 2003 Legislature directed that the BHP benefit package was to be reduced in value by 18 percent beginning January 1, 2004. However, ADSA concluded that health insurance carriers would not likewise reduce the benefit package of the substantially equivalent plans for home care agency providers. ADSA therefore authorized continued payment for home care agency insurance plans that had been approved prior to the 2004 reduction in 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 1,900 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 licensed by the Department of Health and 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 the Health Care Authority (HCA) is charged by contract with a managed care plan, less the enrollee premium, plus the administrative cost of providing the plan to home care agency enrollees.

The Administrator of the 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: Available.

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