

SENATE BILL REPORT

SB 5704

As of January 20, 2004

Title: An act relating to premiums paid by businesses for the basic health plan.

Brief Description: Requiring businesses to pay an amount equal to the amount its employees pay in premiums to the basic health plan.

Sponsors: Senators Keiser, Fairley, Thibaudeau and Kohl-Welles.

Brief History:

Committee Activity: Health & Long-Term Care: 2/19/03; 1/20/04.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Jonathan Seib (786-7427)

Background: The Basic Health Plan (BHP) was created in 1987 to provide access to health insurance for Washington residents who may be working, but are not provided employee coverage and make insufficient income to purchase coverage on their own. 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 state 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. Individual premiums are between \$17 and \$215 per month, depending primarily on income and age.

The HCA is authorized to accept enrollment applications from business owners on behalf of themselves and their employees, spouses and dependent children.

Summary of Bill: Language authorizing the HCA to accept enrollment applications from business owners is removed.

The employer of a BHP enrollee must pay to the BHP trust account an amount equal to the premium paid by its employee as a participant in the plan. The combined employer and employee contribution is not to exceed the total cost of that employee's coverage. The HCA may impose on the employer late fees and penalties of up to three times the amounts of any delinquent payment.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 2004.