

SENATE BILL REPORT

SB 6057

As Passed Senate, April 15, 2003

Title: An act relating to basic health care plan enrollment.

Brief Description: Revising basic health care plan enrollment provisions.

Sponsors: Senators Parlette and Rossi; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means: 4/2/03, 4/3/03 [DP, DNP].

Passed Senate: 4/15/03, 35-14.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Hale, Honeyford, Johnson, Parlette, Roach, Sheahan and Winsley.

Minority Report: Do not pass.

Signed by Senators Brown, Doumit, Fairley, Fraser, Poulsen, Regala and B. Sheldon.

Staff: Tim Yowell (786-7435)

Background: Initiative Measure 773, enacted in November 2001, raised the state cigarette tax by 60 cents, and the state tax on tobacco products by 54.5 percent of the wholesale price. This generates approximately \$150 million of revenue per year. The initiative provides that approximately \$23 million per year of this new revenue is to be transferred to other state dedicated accounts which lost revenue due to the effects of the tax increase on tobacco consumption, and that approximately \$12 million per year is to be used for tobacco use prevention activities.

Initiative 773 directs that all of the remaining revenue may only be used to pay for Basic Health Plan enrollments, provided 125,000 such enrollments have first been subsidized from other state funding sources. These remaining revenues average approximately \$115 million per year.

The portion of the Health Services Account not funded by Initiative 773 would be an estimated \$560 million in deficit by June 2005 if it were to subsidize 125,000 Basic Health Plan enrollments through the end of the 2003-05 biennium, while continuing to provide Medicaid coverage for low-income children, and the current level of support for public health programs.

Summary of Bill: The net new revenues remaining after the various fund transfers required by Initiative 773 may still only be used for Basic Health Plan enrollments. However, the

requirement that 125,000 such enrollments must first be funded from other state sources is deleted.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: More funding is needed for the Basic Health Plan than would be provided under the proposed Senate budget. Fifteen percent of the state's population has no health insurance, and the number is growing.

Testified: CON: Nick Federici, American Lung Association of Washington; Lonnie Johnson-Brown, WA Society for Clinical Social Workers.