

HOUSE BILL REPORT

HB 2632

As Reported by House Committee On:

Health Care
Appropriations

Title: An act relating to human immunodeficiency virus insurance coverage.

Brief Description: Modifying human immunodeficiency virus insurance program provisions.

Sponsors: Representatives Darneille, Green, Morrell, Appleton, Upthegrove, Murray, Cody, Moeller and McDermott.

Brief History:

Committee Activity:

Health Care: 1/17/06, 1/27/06 [DP];
Appropriations: 2/3/06, 2/4/06 [DP].

Brief Summary of Bill

- The cap on the number of insurance policies supported by the Human Immunodeficiency Virus Insurance Program in the Washington State Health Insurance Pool is removed.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Hinkle, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Bailey, Condotta and Skinner.

Staff: Dave Knutson (786-7146).

Background:

The Department of Social and Health Services has operated the acquired Human Immunodeficiency Virus Insurance Program (Program) since 1993. The Program ensures health insurance coverage for persons with human immunodeficiency virus who meet department eligibility standards, and are eligible for "continuation coverage" under federal Consolidated Omnibus Budget Reconciliation Act standards, or group insurance policies. In 2003, responsibility for the Program was transferred to the Department of Health, and the

number of insurance policies supported by the Program was capped at the level in place on July 1, 2003.

Summary of Bill:

The cap on the number of insurance policies supported by the Program in the Washington State Health Insurance Pool is removed.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The cap on the number of people who can transfer from the Program to the high risk pool should be lifted. It provides good coverage and doesn't use any public money.

Testimony Against: Allowing more people to transfer from the Program to the high risk pool will make that program more expensive and drive up the cost of health insurance premiums.

Persons Testifying: (In support) Representative Darneille, prime sponsor; and Tina Podlodowski, Lifelong Acquired Immunodeficiency Syndrome Alliance.

(Opposed) Sydney Zvara, Association of Washington Healthcare Plans; and Mel Sorensen, America's Health Insurance Plans and Washington Association of Health Underwriters.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 17 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Schual-Berke and P. Sullivan.

Minority Report: Do not pass. Signed by 13 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Hinkle, Pearson, Priest, Talcott and Walsh.

Staff: Amy Hanson (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: We are currently witnessing a waiting list in the health insurance program for people with AIDS and that is due to two reasons. First, the number of people living with AIDS in Washington is rising. Second, the private market is changing. We saw a significant rise in our wait list when one of the biggest insurance providers in our state closed an individual plan that was one of the few that covered the prescription drug needs for HIV and AIDS clients. Another major non-profit insurance provider implemented new cost caps on prescription drugs which did not come close to covering the needs of clients. The cap on the Evergreen Health Insurance program forces the state to pay the full price of the client's medical expenses. We could serve everyone in need for 50 percent of the cost. Right now we are spending more and people are falling through the cracks.

Testimony Against: However well-intended this measure is in serving an important segment of the population with health care needs, the bill is extraordinarily expensive. It is important to recognize how the Washington State Health Insurance Pool operates especially when there is a proposal that would add a significant new load to the pool that has an impact on employers and the private market. This bill takes identifiable high-risk, high-cost cases and allows the state to buy a low-cost premium dollar knowing that the services consumed will exceed the premium paid. It is a cost-shift from the public sector to the private sector at a time where private purchasers and payers are under stress. We object to an artificial structure that simply buys a premium on behalf of a large block of individuals using public funds with the intention that the private sector make up the difference. Millions of dollars are in play.

Persons Testifying: (In support) Carey Morris, Lifelong AIDS Alliance.

(Opposed) Mel Sorenson, America's Health Insurance Plans, Washington Association of Health Underwriters.

Persons Signed In To Testify But Not Testifying: None.