

# SENATE BILL REPORT

## HB 2398

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 23, 2006

**Title:** An act relating to expanding participation in state purchased health care programs.

**Brief Description:** Expanding participation in state purchased health care programs.

**Sponsors:** Representatives Cody, Morrell, Appleton, Hasegawa, Clibborn, Hudgins, Dickerson, Kagi, Green and Schual-Berke.

**Brief History:** Passed House: 2/11/06, 53-42.

**Committee Activity:** Health & Long-Term Care: 2/23/06 [DP].

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

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Franklin, Kastama, Kline and Poulsen.

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

**Background:** Under current law, a person whose family income is above 200 percent of the federal poverty level is allowed to enroll in the state's Basic Health Plan (BHP) on a nonsubsidized basis. However, beginning in 1999, rising costs associated with the plan made carriers reluctant to provide such coverage, and in 2000, it was delinked from the subsidized BHP program. Unsubsidized BHP coverage is not now available.

Most people who apply for an individual health benefit plan are required to complete a standard health questionnaire. Based on the results of the questionnaire, they are eligible for coverage in either the private market or in the Washington State Health Insurance Pool, the state-facilitated plan for high risk individuals. The law does not require a person applying for nonsubsidized BHP coverage to complete the health questionnaire

**Summary of Bill:** Applicants for nonsubsidized BHP coverage must complete the standard health questionnaire to the same extent that applicants for individual health benefit plans are required to do so. The Health Care Authority administrator may not accept an application for nonsubsidized enrollment if, based on the results of the questionnaire, the person qualifies for coverage under the Washington State Health Insurance Pool.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** None.

**Testimony Against:** Every individual that is added to the enrollment of the Washington State Health Insurance Pool results in a loss ratio to the pool of somewhere near 400 percent. To the extent that public program such as the Basic Health Plan are authorized to refer public program beneficiaries to WSHIP, it is another example of the effort to shift costs from a public program to the private sector. The collective weight of bills this session on private insurance markets is significant. The costs of reopening the non-subsidized Basic Health Plan should be questioned given that individual insurance products are available in the private market. The purpose of WSHIP is to keep individual policies purchased in the private sector more affordable. If the state continues to use WSHIP to serve the needs of the population that receive state and federal dollars for coverage, then eventually WSHIP will not be available for the purpose originally intended.

**Who Testified:** CON: Mel Sorenson, America's Health Insurance Plans; Washington Association of Health Underwriters; Nancee Wildermuth, Regence, Aetna, PacifiCare; Sydney Zvara, Association of Washington Healthcare Plans.