

SENATE BILL REPORT

HB 2632

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

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: Passed House: 2/13/06, 59-39.

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

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

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

Minority Report: Do not pass.

Signed by Senators Deccio, Ranking Minority Member; Brandland and Parlette.

Staff: Jonathan Seib (786-7427)

Background: The Human Immunodeficiency Virus Insurance Program is a state program which pays for health insurance coverage for persons with HIV or AIDS. Created as a pilot project by the Legislature in 1989, the program was made permanent in 1993. It is administered by the Department of Health (DOH) through a contract with the Lifelong Aids Alliance. In 2005, the program served over 1,100 people.

Eligibility for the program is limited to Washington residents not eligible for Medicaid, earning no more than 300 percent of the federal poverty level (370 percent if enrolled before September 1, 2002) with assets (excluding house and car) of not more than \$10,000. All enrollees pay a portion of their own premium, depending on income.

Until 2003, the law authorized the program to pay only for continuation coverage under federal COBRA standards, and group insurance. In 2003, legislation passed authorizing payment for individual insurance. This legislation also limited the number of persons whose enrollment in the Washington State Health Insurance Pool (WSHIP) the program could pay for to no more than the number paid for on July 1, 2003.

WSHIP is the state's high risk pool. Individual premiums are capped, and claims in excess of total premiums are paid for by an assessment against all insurance carriers in the state.

Summary of Bill: The limit on the number of enrollees in WSHIP that may be paid for by the state's HIV Insurance Program is removed.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: This is the only disease group that has this sort of cap with regard to the Washington State Health Insurance Pool. This is a discriminatory policy that should not be continued. Ninety people are on the waiting list to enroll in WSHIP through the HIV Insurance Program. The service provided to these people is much more expensive to the state than paying for their enrollment in WSHIP. The bill will assist in providing uninterrupted access to health coverage to those with HIV, which will help prevent the spread of the disease. This is particularly important because the state is otherwise doing nothing about putting more money into prevention work.

Testimony Against: This is a well intended bill with a terrible consequence. It takes a public sector responsibility, and shifts it to the private sector. State payment of the premiums for those enrolled in WSHIP is contradictory to the purposes for which WSHIP was created, and will further compromise the financial viability of the pool. Already about a third of those in WSHIP have their premium paid for by some entity or state agency. This bill would raise the number even higher. Carriers costs for WSHIP increased from \$28 million in 2004 to \$40 million in 2005, and there is concern about any action that would further increase these costs. Carrier assessments for the pool are passed on to purchasers of other insurance, such as individuals and small business, making that coverage less affordable.

Who Testified: PRO: Representatives Darneille, Prime Sponsor; Carey Morris, Lifelong AIDS Alliance.

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