

SENATE BILL REPORT

SB 6759

As Reported By Senate Committee On:
Health & Long-Term Care, February 1, 2006

Title: An act relating to the employment status of basic health plan and medical assistance recipients.

Brief Description: Requiring a report on the employment status of basic health plan and medical assistance recipients.

Sponsors: Senators Keiser, Kohl-Welles and Kline.

Brief History:

Committee Activity: Health & Long-Term Care: 1/30/06, 2/1/06 [DPS-WM].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6759 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Deccio, Ranking Minority Member; Brandland, Franklin, Kastama, Kline and Poulsen.

Staff: Jonathan Seib (786-7427)

Background: The Basic Health Plan (BHP) is a state sponsored program administered by the Health Care Authority (HCA) to provide subsidized health insurance coverage to low income Washington residents who are not eligible for Medicare or institutionalized at the time of enrollment. Medical assistance is also available to state residents from the Department of Social and Health Services (DSHS), primarily through the Medicaid program.

In 2005, legislation passed requiring both the HCA and DSHS, in coordination with the Employment Security Department, to report annually to the Legislature on the employment status of BHP enrollees and medical assistance recipients. The Governor vetoed the bill, citing the failure of the Legislature to appropriate funding for its implementation, and significant privacy and public disclosure concerns regarding the release of employer-specific information. However, she also directed the agencies to develop such a report and distribute the information in accordance with state and federal confidentiality laws.

Summary of Substitute Bill: Each December, the HCA must report the number of BHP enrollees who were employed, or who were the spouse or child of someone who was employed, for each month of the preceding fiscal year. The report must also indicate the total cost to the state for these enrollees. This information is to be reported in total, and by employer and industry type for any employer or industry having more than thirty employees enrolled.

The same requirements apply to the Department of Social and Health Services with regard to medical assistance recipients.

Substitute Bill Compared to Original Bill: The substitute bill specifies that enrollee employment information be provided for each month of the preceding fiscal year, and also covers enrollees who are the spouse or child of someone who is employed. In addition to reporting by employer, the substitute also requires reporting by industry type, but limits this to employers or industries having more than thirty employees enrolled.

The substitute moves the due date for the first report back a year to December, 2007.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: January 1, 2006.

Testimony For: Legislators as policymakers and the taxpayers need and deserve to have the information that this bill would provide. We need to know whose employees are on publicly subsidized health care, and the degree to which employer coverage is being eroded. This information is very important as we develop efforts to deal with our growing health care crisis. It is taxpayers' dollars that are being spent, and we ought to be able to know how it is being spent, and to whose benefit. Seventeen other states have made this information available. We need accurate information regarding who is receiving BHP and Medicaid benefits.

Testimony Against: The small business community is incredibly concerned about who will have access to the information the bill would make available. It could put a stigma around being on Medicaid or BHP. There may be reasons that an employee is on these programs that he or she does not want disclosed, and many times a small employer will not know if any of their employees are enrolled. The bill does nothing to address the issue of health care costs, and, in fact, may add to the cost of state programs. We're afraid this information could be used against small employers by competitors, and that the information would make it possible to identify individual enrollees in these programs.

Testimony Other: The Health Care Authority would gather the information required by the bill using its own data, and not cross-match it with Employment Security data. In either case, there are limitations to the data. For example, we don't track changes to the data over time. Some of the information requested, such as the name of employers, is also provided voluntarily by applicants, so it may be incomplete. The Health Care Authority data bank does not currently include the information required in the bill.

Who Testified: PRO: Robbie Stern, Washington State Labor Council; David West, Center for the Changing Workforce; Steve Gano, Wal-Mart; Mellani McAleenan, Association of Washington Business.

CON: Carolyn Logue, National Federation of Independent Business.

OTHER: Dennis Martin, Health Care Authority.