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HOUSE BILL 2556

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State of Washington                      59th Legislature                      2006 Regular Session

By Representatives Hinkle, Condotta, Talcott, Serben and Rodne

Read first time 01/10/2006. Referred to Committee on Health Care.

1            AN ACT Relating to a consumer-directed medicaid coverage plan; and  
2            creating new sections.

3            BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            NEW SECTION.    **Sec. 1.** The legislature finds that there is a  
5            significant disconnect in the state's medicaid program between  
6            recipients and those delivering and paying for their care. Medicaid  
7            recipients are not empowered to make decisions regarding their own  
8            health care needs. Nor are there incentives for medicaid recipients to  
9            be prudent purchasers of health care. The legislature further finds  
10           that eight hundred fifty-four thousand individuals or fourteen percent  
11           of the state population are enrolled in the state's medical assistance  
12           program. State spending for health care within the state's medical  
13           assistance program has grown by one hundred thirty-nine percent in the  
14           past ten years, and has risen from 6.5 percent of state spending in  
15           1994 to 13.4 percent in 2007. This rate of growth is unsustainable and  
16           jeopardizes the state's ability to meet funding needs in such areas of  
17           budget priority as K-12 education, higher education, public safety, and  
18           employee compensation.

1           The legislature further finds that significant reforms must be made  
2 to the medical assistance program to control the program's growth in  
3 order to ensure its preservation as a vital safety net for the needy  
4 and vulnerable in our state. Marketplace principles and marketplace  
5 mechanisms must be introduced to the medical assistance program to  
6 encourage recipients to be active participants in their health care.  
7 Several states have recognized the need to make such reforms to their  
8 medicaid programs and are working with the federal government to begin  
9 the implementation of medicaid waivers that bring marketplace  
10 principles, consumer choice, and personal responsibility to their  
11 medicaid programs. Washington state should continue to be a leader in  
12 health care policy and join other states in ensuring the sustainability  
13 and improving the performance of its medicaid program by initiating  
14 reforms incorporating marketplace principles, consumer choice, and  
15 personal responsibility.

16           NEW SECTION.   **Sec. 2.** The department of social and health services  
17 shall submit a waiver request to the center for medicaid and medicare  
18 services under section 1115 of the social security act to initiate a  
19 waiver research and demonstration project. The waiver request shall  
20 create a consumer-directed medicaid coverage plan that includes  
21 personal health accounts and personal health incentives and provides  
22 for consumer choice. The waiver request shall include the following  
23 elements:

24           (1) Require eligible medicaid recipients to enroll in a state-  
25 approved health care plan;

26           (2) Provide each eligible medicaid recipient with a personal health  
27 account to manage their health care spending, including payment of  
28 premiums and other health care expenses including copays;

29           (3) Provide eligible medicaid recipients with the choice of several  
30 health care plans to best meet their health care needs;

31           (4) Provide eligible medicaid recipients with the option of using  
32 funds in their personal health accounts to enroll in employer-sponsored  
33 health insurance plans;

34           (5) Encourage eligible medicaid recipients to take an active role  
35 in their health care by providing incentives for healthy lifestyle  
36 choices, including the ability to build a health care asset to pay for  
37 future qualified health care expenses;

1           (6) Enable medicaid recipients who leave the medicaid program to  
2 retain any money in their personal health accounts to pay for future  
3 qualified health-related expenses; and

4           (7) Identify the segment of the medicaid population that would be  
5 best served by and most benefit from a consumer-directed health care  
6 option.

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