
**Health Care & Wellness
Committee**

HB 1886

Brief Description: Creating the Washington health security trust.

Sponsors: Representatives Appleton, Hasegawa, Ormsby, Moeller, Pettigrew, Schual-Berke, Dickerson, Simpson, Williams, Darneille, Flannigan, Hunt, Chase, McCoy, Green and Wood.

Brief Summary of Bill

- Establishes a Washington health security trust to provide every citizen with coverage for a set of health services.

Hearing Date: 2/27/07

Staff: Dave Knutson (786-7146).

Background:

Approximately 46 million Americans do not have health care coverage. There is currently a mix of employer-sponsored health care coverage and public financing for health coverage through the Medicaid, Medicare, the Basic Health Plan, state-funded health care, and the State Children's Health Insurance Program. Individuals who do not qualify for public health coverage and work for an employer who does not offer health coverage cannot, in many cases, afford to purchase health care coverage.

Summary of Bill:

A Washington health security trust is created to provide every citizen with coverage for a set of health services. The system would include the following: a single health care financing entity will be created, a comprehensive package of health services, health care coverage would be independent of employment, administrative costs would be reduced, savings would be generated to ensure coverage of all residents, publicly sponsored health programs would be incorporated into the Washington health trust. The trust will be governed by a nine member board. The board will adopt an annual Washington health security trust budget. The health budget will not exceed the

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previous years budget by more than the consumer price index. It will establish a single benefits package. If there are sufficient funds in the trust long-term care will be a covered benefit as of May 15, 2010. Pharmaceutical and durable medical equipment manufacturers must provide their products in Washington at the lowest rate offered to federal and other government entities. The board will negotiate annual budgets with hospitals and other providers. Nonresidents are only covered for emergency services and emergency transportation. Employers will pay 10 percent of the amount of aggregate gross quarterly payroll above \$125,000. All residents 18 years and older with incomes over 150 percent of the federal poverty level will pay a health security premium of \$75 per month. The health care authority is abolished and its powers and duties are transferred to the health security trust. Revenues currently deposited in the health services account are instead deposited in the reserve account created by this act.

Appropriation: None.

Fiscal Note: Not requested.

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