

HOUSE BILL REPORT

HB 2536

As Reported by House Committee On:
Health Care & Wellness
Appropriations

Title: An act relating to the creation of a citizens' work group on health care reform.

Brief Description: Establishing a citizens' work group on health care.

Sponsors: Representatives Cody, VanDeWege, Hasegawa, Ormsby, Seaquist, Morrell, Schual-Berke, Upthegrove and Green.

Brief History:

Committee Activity:

Health Care & Wellness: 1/17/08, 1/24/08 [DPS];

Appropriations: 2/4/08, 2/8/08 [DP2S(w/o sub HCW)].

Brief Summary of Second Substitute Bill

- Creates a thirteen-member citizens' work group on health care.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Cody, Chair; Morrell, Vice Chair; Barlow, Campbell, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

Minority Report: Do not pass. Signed by 3 members: Representatives Hinkle, Ranking Minority Member; Alexander, Assistant Ranking Minority Member and Condotta.

Staff: Dave Knutson (786-7146).

Background:

Over the past 20 years, Washington has enacted several policy and budget initiatives to extend health coverage to individuals and families who did not have access to affordable health insurance. The creation of the Basic Health Plan, the expansion of eligibility for the Medicaid program, the creation of the "Cover All Children" program, and the Health Insurance Partnership all combine to extend publically subsidized health coverage to previously

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uninsured groups. There is still a sizeable population of individuals in Washington who are not covered by health insurance and do not have access to affordable health coverage. There is not a consensus about how best to provide access to affordable, quality health coverage to all Washingtonians. Options to provide increased access to affordable health coverage range from private sector modifications of insurance regulation to public sector expansions of existing publically subsidized programs.

Summary of Substitute Bill:

A nine-member citizen work group will be appointed by the Insurance Commissioner to engage in a public process of considering health reform proposals. The citizen work group will be appointed by April 1, 2008 and will report their findings, conclusions, and recommendations to the Governor and the Legislature by December 1, 2008. The work group will contract for an independent analysis of five health reform proposals ranging from a limited benefit health coverage plan to a single payer proposal that will provide universal coverage.

Substitute Bill Compared to Original Bill:

The appointing authority for the citizen work group is changed from the Governor to the Insurance Commissioner. The agency responsible for staffing the work group is changed from the Office of Financial Management to the Office of the Insurance Commissioner. A single-payer health care system is added to the list of health reform proposals that will be evaluated. An emergency clause is added.

Appropriation: None.

Fiscal Note: Received.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) It is important to conduct a public process to review all types of health reform proposals. This analysis needs to begin right away so the results will be available for the 2009 Legislative Session. Citizens should be engaged in a public process to determine what kind of a health care system we should have in Washington. An emergency clause should be added to the bill so work can begin immediately. A health care reform proposal should include universal access to affordable health coverage.

(Opposed) None.

Persons Testifying: Representative Cody, prime sponsor; Mike Kreidler, Office of the Insurance Commissioner; Robby Stern, Washington State Labor Council and the Healthy

Washington Coalition; Len Eddinger, Washington State Medical Association; Ingrid McDonald, Washington State Office of the American Association of Retired People; Kent Davis, Washington Health Security Coalition; David McLanahan, Physicians for a National Health Program and the Washington Health Security Coalition; Susan Eidenshink, Health Care for All - Washington; and Erin Dziedzic, the American Cancer Society.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 20 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Cody, Conway, Darneille, Ericks, Fromhold, Green, Haigh, Hunt, Hunter, Kagi, Kessler, Linville, McIntire, Morrell, Pettigrew, Schual-Berke, Seaquist and Sullivan.

Minority Report: Do not pass. Signed by 10 members: Representatives Alexander, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Chandler, Hinkle, Kretz, Priest, Ross, Schmick and Walsh.

Staff: Wendy Polzin (786-7137).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:

The Appropriations Committee recommended the removal of the Office of the Insurance Commissioner as the appointing authority of the work group, and recommended the Governor instead. The committee also recommended that staff support be provided by staff of the Senate and House of Representatives instead of the Office of the Insurance Commissioner; that members of the Senate and House of Representatives be added to the work group; that the work group review health care proposals that have been passed by legislatures in other states; the removal of review of a limited scope benefit plan and expansion of the health insurance partnership; and that public meetings be held in each congressional district instead of in all regions of the state. The emergency clause was removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) Testimony reflected that this is a good use of funds, because waiting on Congress, or endless studies will not solve the problem. The work group's economic analysis will reflect current models of all the options in relation to existing data including: what the state spends now, accessibility, different income groups, etc. Universal healthcare is an

achievable goal. Suggested amendments include: making the Governor the appointing authority for the work group, allowing independent staffing instead of agency staff, and the ability for the work group to develop their own recommendation. Not in favor of Legislature being responsible for the work group or staffing, because results would not be bias free.

(Opposed) Concerns were expressed that the request for funds and FTEs are unnecessary because the state is already doing studies like this. Funds would be better spent helping small businesses pay for health insurance or providing insurance for the underinsured. The committee should rethink the legislation and consider stripping down the appropriation.

Persons Testifying: (In support) Ingrid McDonald, American Association of Retired Persons of Washington; Len Eddinger, Washington State Medical Association; and Len McComb, Washington State Healthcare Alliance and Community Health Networks.

(Opposed) Patrick Conner, Washington Farm Bureau; and Donna Steward, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.