

# SENATE BILL REPORT

## SHB 2341

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As Reported by Senate Committee On:  
Ways & Means, April 22, 2009

**Title:** An act relating to changes in the basic health plan program necessary to implement the 2009-2011 operating budget.

**Brief Description:** Modifying the basic health plan program.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Cody and Kelley).

**Brief History:** Passed House: 4/20/09, 89-9.

**Committee Activity:** Ways & Means: 4/22/09 [DP, DNP, w/oRec].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Carrell, Fairley, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore, Regala, Rockefeller and Schoesler.

**Minority Report:** Do not pass.

Signed by Senator Pflug.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Brandland, Honeyford and Parlette.

**Staff:** Elaine Deschamps (786-7441)

**Background:** The Health Care Authority (Authority) administers the Basic Health Plan (BHP), which is a state-subsidized health care insurance program for low-income Washington residents. Residents of Washington with an income of less than 200 percent of federal poverty level and who are not eligible for Medicare, institutionalized, or in school on a temporary work visa, are eligible for enrollment in the BHP.

The BHP offers a more limited benefit design than the Medical Assistance health care programs offered for low-income persons through the Department of Social and Health

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Services (DSHS). The benefit package includes physician services, inpatient and outpatient hospital services, and prescription drugs. In addition, the BHP provides coverage for chemical dependency services, mental health services, and organ transplant services; however, these services may not exceed 5 percent of the value of the benefit package.

Enrollees in the BHP are required to contribute to the cost of enrollment in the health care plan through premiums. The premiums are established on a sliding scale according to the enrollee's income level. Providers and other organizations may sponsor enrollees through the payment of their premiums. Enrollees make other contributions in the form of co-pays, deductibles, and co-insurance.

**Summary of Bill:** Individuals who are receiving medical assistance through the DSHS are not eligible for subsidized coverage under the BHP.

The limitation of chemical dependency services, mental health services, and organ transplant services to a combined maximum limit of 5 percent of the value of the BHP benefit package is eliminated.

The Authority must encourage enrollees who have been continuously enrolled in the BHP for at least one year to complete a health risk assessment and participate in programs to improve health status, such as wellness, smoking cessation, and chronic disease management programs.

The Authority is authorized to disenroll subsidized enrollees to prevent over-expenditure of the BHP. The Authority must establish criteria for selecting individuals to disenroll which may include the amount of time that an individual has been continually enrolled on the BHP, the individual's income level, or the individual's eligibility for other coverage. Prior to disenrolling an enrollee, the Authority must attempt to identify enrollees who are eligible for other coverage and assist in transitioning those who are eligible for coverage through medical assistance. The criteria must also address circumstances for allowing individuals who have been disenrolled to reapply.

The situations under which the Authority must implement a self-insured coverage system for subsidized BHP enrollees are removed and the Authority is permitted to establish a self-insurance system, at its discretion, as long as there is sufficient funding in the BHP Self-Insurance Reserve Account.

The BHP is exempt from insurance requirements to cover the full difference between the enrollee's coverage and other coverage available to the enrollee.

Managed health care systems participating in the BHP are required to determine whether an enrollee has other insurance coverage and report to the Authority on their coordination of benefits activities.

The requirements that the Authority and the DSHS report each year on the employment status of BHP enrollees are suspended until November 2012.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** CON: We have concerns related to people who are on DSHS medical assistance coverage where the program is time-limited, such as the children's medical program. These individuals could lose their medical assistance coverage and not retain BHP coverage. We would like to suggest amended language to allow for a transition so that these individuals could have seamless coverage, and for individuals who have non-full scope medical assistance coverage to still be eligible for the BHP. There's also concerns about using the amount of time on BHP as a criteria for disenrollment.

**Persons Testifying:** CON: Janet Veron, Northwest Health Law Advocates; Lonnie Johns-Brown, National Organization for Women; Teresa Mosqueda, Children's Alliance.