

# HOUSE BILL REPORT

## HB 1544

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### As Passed Legislature

**Title:** An act relating to restricting the eligibility for the basic health plan to the basic health transition eligibles population under the medicaid waiver.

**Brief Description:** Restricting the eligibility for the basic health plan to the basic health transition eligibles population under the medicaid waiver.

**Sponsors:** Representatives Hunter and Anderson.

#### **Brief History:**

##### **Committee Activity:**

Ways & Means: 1/31/11, 2/25/11 [DP].

##### **Floor Activity:**

Passed House: 3/1/11, 96-2.

Senate Amended.

Passed Senate: 3/23/11, 45-2.

House Concurred.

Passed House: 4/18/11, 75-23.

Passed Legislature.

#### **Brief Summary of Bill**

- Restricts eligibility for the Basic Health Plan (BHP) to individuals who are eligible for federal support under the Medicaid waiver for the BHP starting in March 2011.

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### HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass. Signed by 27 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Schmick, Seaquist, Springer, Sullivan and Wilcox.

**Staff:** Erik Cornellier (786-7116).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**Basic Health Plan.

The Health Care Authority (Authority) administers the Basic Health Plan (BHP), which is a health care insurance program that assists enrollees by providing a state subsidy to offset the costs of premiums. Residents of Washington with an income of less than 200 percent of the Federal Poverty Level (FPL) are eligible for enrollment in the BHP. In addition, the enrollee must not be: (1) eligible for Medicare; (2) institutionalized; or (3) in school on a temporary work visa.

Federal Waiver.

Medicaid is a federal-state program that provides health care services to specified categories of low-income individuals pursuant to federal standards. States may request a waiver from federal requirements for experimental, pilot, or demonstration projects. The 2010 Supplemental Operating Budget directed the Authority to seek a waiver from the federal government to support some of the enrollees on the BHP. As of January 2011, the federal government has issued the terms and conditions for granting a waiver. Under the terms of the waiver, the federal government will provide matching funds to Washington for adults under age 65 in the BHP whose income is at or below 133 percent of the FPL and who are citizens or eligible qualified aliens.

**Summary of Bill:**

Starting in March 2011, individuals who are not eligible for federal support under the Medicaid waiver for the BHP are no longer eligible for the BHP. This restriction does not apply to foster parents.

The Legislature intends to define eligibility for the BHP after the waiver expires based upon recommendations from the Joint Select Committee on Health Reform Implementation.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony:**

(In support) None.

(Opposed) Eliminating coverage for these populations will result in higher costs in hospital emergency rooms (ERs). Hospitals are morally and legally required to see everyone that comes to the ER. Cutting the BHP will eliminate preventive care and emergency care is more expensive. Eliminating coverage will also create public health issues with people becoming unable to receive the care they need.

Community health centers will receive these populations, which will hurt their bottom lines and reduce their ability to serve patients.

Judaism teaches that life is precious and sacred and that helping the sick is paramount. One can violate observances of Yom Kippur to save a life. Maimonides said that a viable community needs a strong health care system. This bill is akin to shedding blood. The BHP should have maximum enrollment, and it is the obligation of the community to provide it. The story of Genesis shows humanity's common ancestry, and the community should not be in a position to choose who is more or less worthy for health care. Faith communities will be called on to help when the government scales back.

There is a growing disparity between the rich and the poor. The state should not reduce eligibility for an important program for very low income people when the salary of the Chief Executive Officer at Starbucks doubled and Boeing's profits are up. The Legislature should try to increase revenue instead, particularly by repealing tax exemptions. There are many funding mechanisms under development to support safety-net programs and they should be considered before denying coverage to 17,000 people.

It is not appropriate to remove immigrants from the BHP. The groups who will be impacted are immigrants who are currently ineligible for Medicaid, immigrants with visas to help investigate crimes, and people requesting asylum who the President or the Attorney General have decided cannot return to their native countries. These are groups of people on track for residency. It has taken almost 20 years to get poor people to understand the value of insurance, and this bill would reverse that progress. These groups tend to be younger and healthier, so removing them from the BHP threatens the sustainability of the program.

Many of these workers cannot get housing due to the seasonal nature of their work. The BHP helps them get health care while trying to get citizenship and growing the food that Washingtonians eat. There is a conflict between supporting housing for the agricultural economy and defunding essential health care services.

The BHP is the only affordable option for self-employed residents or residents whose employers do not provide coverage. Federal health reform allows the state to provide the BHP to people with incomes up to 200 percent of the FPL, and the advantage is to maintain continuity of care between Medicaid and non-Medicaid insurance. Some of the people in the BHP do not fall under 133 percent of the FPL, and this bill risks disrupting their continuity of care before new options are available in 2014.

**Persons Testifying:** Carlos Olivares, Yakima Valley Farm Workers Clinic; Gail Weaver, Yakima Valley Memorial Hospital; Rabbi Seth Goldstein, Temple Beth Hatfiloh; Paul Benz, Lutheran Public Policy Office; Toby Guevin, One America; Dan Wise, Catholic Community Services; Sofia Aragon, Washington State Nurses Association; and Joe King, Group Health.

**Persons Signed In To Testify But Not Testifying:** None.