

# SENATE BILL REPORT

## SB 5148

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As Reported by Senate Committee On:  
Health & Long-Term Care, February 7, 2011  
Ways & Means, March 22, 2011

**Title:** An act relating to statutory changes needed to implement a waiver to receive federal assistance for certain state purchased health care programs.

**Brief Description:** Regarding statutory changes needed to implement a waiver to receive federal assistance for certain state purchased public health care programs.

**Sponsors:** Senators Keiser, Becker and Conway.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 1/26/11, 2/07/11 [DPS-WM, w/oRec].  
Ways & Means: 3/14/11, 3/16/11, 3/22/11 [DP2S].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** That Substitute Senate Bill No. 5148 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Kline, Murray, Pflug and Pridemore.

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

Signed by Senators Becker, Ranking Minority Member; Carrell and Parlette.

**Staff:** Mich'l Needham (786-7442)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5148 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner, Baxter, Brown, Conway, Fraser, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Kastama, Keiser, Kohl-Welles, Pflug, Pridemore, Regala, Rockefeller, Schoesler and Tom.

**Staff:** Tim Yowell (786-7435)

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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:** Legislation passed in 2009 directed the Department of Social and Health Services (DSHS) to submit a waiver to expand medical assistance, commonly referred to as Medicaid, for low-income parents and individuals. The federal Patient Protection and Affordable Care Act, passed in March 2010, included language allowing states the opportunity to initiate an early Medicaid expansion for newly eligible adults with incomes up to 133 percent of the federal poverty guideline.

Washington State submitted a waiver request, known as the Washington Transitional Bridge Section 1115(a) Demonstration, to expand Medicaid coverage to individuals enrolled in the state funded Basic Health Plan, and medical care services programs (the Disability Lifeline medical coverage and the Alcohol and Drug Addiction Treatment and Support Act - ADATSA) as transition eligibles. The waiver is focused on providing a bridge to the coverage expansion scheduled for 2014, with the goal of maintaining coverage for approximately 63,300 people enrolled in the state funded programs.

The waiver request was approved by the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services on January 3, 2011, to allow federal financial participation for the transition eligibles under certain terms and conditions. The waiver terms and conditions require some modification to current statutory language for the Basic Health Program and the Disability Lifeline medical care services.

**Summary of Bill (Recommended Second Substitute):** Applicants for Basic Health must be screened for eligibility for Medicaid financed programs, and those persons eligible for Medicaid categorically needy and medically needy programs are not eligible for Basic Health, except for persons that transition between temporary programs like Medicaid pregnancy coverage. Applications for Basic Health must include a social security number for each family member requesting coverage if available for each family member requesting coverage.

Enrollment in the medical care services, provided for the Disability Lifeline recipients and ADATSA recipients, is not an entitlement and expenditures are limited to the budget appropriation. DSHS may freeze enrollment and create a waiting list of eligible persons that may receive benefits when funding is available. When using federal funding, the medical care services may be provided to persons subject to denial or termination from the disability lifeline due to reaching enrollment time limits.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Second Substitute):** A technical problem in the substitute bill is corrected.

**EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended First Substitute):** The reference to federally financed programs is clarified to mean categorically needy or medically needy programs. The application for Basic Health is considered an application for Medicaid and must include a social security number if available. Removes a reference to medical care services not being an entitlement but leaves it limited to budget appropriation. Modifies the eligibility for disability lifeline medical coverage funded by the federal waiver to allow those subject to the time limits to continue in medical without first having to be terminated from coverage.

**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 on Original Bill (Health & Long-Term Care):** PRO: We support the waiver request and this bill. However, we do have concern with the reference to eligibility change for Basic Health and would like clarifying language to ensure other more limited programs under the Medicaid umbrella (like alien emergency medical) are not used to keep people out of the more comprehensive coverage. We would also like to ensure there is a smooth transition between programs for people. We would prefer the language for the Disability Lifeline does not include "it is not an entitlement" and that we ensure those who reach their time limits are eligible for coverage under the waiver. We are exploring alternative language with the Health Care Authority for the reference to social security numbers.

**Persons Testifying (Health & Long-Term Care):** PRO: Pam Crone, Community Health Network of Washington; Sofia Aragon, Washington State Nurses Association.

**Staff Summary of Public Testimony on Recommended First Substitute (Ways & Means):** PRO: The bill aligns BHP eligibility with the policy and funding level adopted in the 2011 supplemental budget, and is necessary in order for the program to operate within appropriated levels.

**Persons Testifying (Ways & Means):** PRO: Preston Cody, Health Care Authority.