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## Health Care & Wellness Committee

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### HB 2594

**Brief Description:** Requiring the health care authority to develop a blueprint for the establishment of a federal basic health program.

**Sponsors:** Representatives Riccelli, Jinkins, Cody, Moscoso, Morrell, Fitzgibbon, Ryu, Tarleton, Farrell, Van De Wege, Robinson, Habib, Ormsby, Tharinger, Freeman, Walkinshaw, Hudgins, Gregerson, Pettigrew, Reykdal, Roberts, Carlyle, Moeller, Stanford, Goodman, Seaquist, Appleton, Clibborn, Bergquist, Kagi, Sells, Pollet and Green.

#### Brief Summary of Bill

- Directs the Health Care Authority to develop a blueprint that establishes a federal Basic Health Program and submit it to the Centers for Medicare and Medicaid Services.

**Hearing Date:** 2/3/14

**Staff:** Chris Blake (786-7392)

#### Background:

Under the federal Patient Protection and Affordable Care Act (ACA), a state may contract with private insurers to provide coverage for low income individuals who are below 200 percent federal poverty level and do not qualify for Medicaid. Individuals in the Basic Health Program (BHP) will not participate in the Health Benefit Exchange (Exchange), but the state will receive federal funding for the BHP equal to 95 percent of the tax credits and cost-sharing reductions the individuals would have received in the Exchange.

In September 2013 the federal Department of Health and Human Services (DHHS) issued proposed regulations for the administration of the federal BHP. The proposed regulations recommend that states seeking to establish a BHP submit a BHP Blueprint for the Secretary of DHHS to certify. Under the proposal, the BHP Blueprint must describe the minimum benefits offered, the competitive process to contract for health plans, methods to coordinate with other

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affordable insurance programs, premiums, cost-sharing, eligibility standards, fiscal policies, and accountability procedures. A state must seek public comment on the BHP Blueprint prior to submission. The proposed regulations also recommend that the BHP Blueprint be accompanied by a funding plan that identifies funding sources required to cover projected expenditures.

**Summary of Bill:**

The Health Care Authority (Authority) must develop a blueprint to establish a federal Basic Health Program (BHP). The Authority must engage stakeholders in the blueprint development process. The blueprint must be submitted to the Governor for approval and submitted to the federal Centers for Medicare and Medicaid Services (CMS) for certification. The blueprint must be submitted in time to allow for enrollment in the BHP to begin on October 1, 2015, and coverage to begin on January 1, 2016. Once CMS has certified the blueprint, the Authority is authorized to operate the BHP.

The blueprint must identify the federal regulatory requirements for the program and specifically address:

- program eligibility;
- essential health benefits;
- assurance that enrollee premiums and cost sharing will not exceed the amounts that BHP enrollees would have paid in the Health Benefit Exchange;
- administrative procedures;
- fiscal policies and accountability procedures;
- a competitive process to contract with standard health plans;
- BHP trust fund trustees;
- the operational agency responsible for program administration, operations, and financial oversight;
- a funding plan that identifies funding sources; and
- other federal requirements.

The Authority must consult with the Health Benefit Exchange and other impacted programs to identify system design requirements to implement and operate the Program and develop an initial system project timeline and funding estimate. Funding estimates must be shared with the fiscal committees of the Legislature.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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