

# FINAL BILL REPORT

## HB 2798

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Synopsis as Enacted

**Brief Description:** Concerning payments made by the health care authority to managed health care systems.

**Sponsors:** Representative Hunter.

**House Committee on Appropriations**  
**Senate Committee on Ways & Means**

### **Background:**

#### Basic Health Plan.

The Health Care Authority (HCA) administered the Basic Health Plan (BHP), which was a health care insurance program that assisted enrollees by providing a state subsidy to offset the cost of premiums. Coverage under the BHP was available for residents of Washington with incomes less than 200 percent of the federal poverty level (FPL) that were also eligible for federal matching funds under a Medicaid waiver related to the BHP.

#### Medicaid.

Medical assistance is available to eligible low-income state residents and their families from the HCA, primarily through the Medicaid program. Most of the state medical assistance programs are funded with matching federal funds in various percentages. Federal funding for the Medicaid program is conditioned on the state having an approved Medicaid state plan and related state laws to enforce the plan. Coverage is provided through fee-for-service (FFS) and managed care systems.

#### Medicaid Expansion and Elimination of the BHP.

On January 1, 2014, Washington exercised its option under the federal Affordable Care Act to expand the Medicaid program to cover adults with incomes below 133 percent of the FPL. Most of the clients in the BHP became eligible for Medicaid coverage under the expansion, and funding for the BHP was eliminated.

#### Managed Care.

Managed care is a prepaid, comprehensive system of medical and health care delivery that includes preventive, primary, specialty, and ancillary health services. Healthy Options is the HCA Medicaid managed care program for low-income people in Washington. Healthy

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Options offers eligible families, children under age 19, certain disabled individuals, pregnant women, and low-income adults a complete medical benefits package. Coverage under the BHP was also provided through managed care.

Basic Health Plan Medicaid Managed Care Payments.

The HCA was allowed to make payments to managed care plans participating in the BHP on behalf of BHP clients with Medicaid coverage.

Basic Health Plan Trust Account.

Any non-State General Fund dollars collected by the BHP were deposited in the Basic Health Plan Trust Account to be used exclusively for the BHP. Initiative Measure 502 (I-502) was a ballot measure approved by Washington voters in November 2012 that legalized the production, processing, possession, and personal use of marijuana and created a framework for a regulatory scheme that includes an excise tax system with respect to marijuana production, distribution, and retailing. The initiative required that 50 percent of the remaining excise taxes after certain specified disbursements must be deposited into the Basic Health Plan Trust Account.

**Summary:**

The HCA may, under its BHP authority, make payments to Medicaid managed care plans for clients receiving Medicaid coverage.

**Votes on Final Passage:**

House	85	11
Senate	47	2

**Effective:** June 12, 2014