
Health Care & Wellness Committee

ESSB 5449

Brief Description: Addressing the Washington state health insurance pool.

Sponsors: Senate Committee on Health Care (originally sponsored by Senators Parlette, Keiser, Becker, Bailey, Dammeier, Frockt, Ericksen and Schlicher).

Brief Summary of Engrossed Substitute Bill

- Changes eligibility requirements for the Washington State Health Insurance Pool.
- Requires the Washington State Health Insurance Pool to review populations that may need ongoing access to pool coverage.

Hearing Date: 3/14/13

Staff: Jim Morishima (786-7191).

Background:

Before purchasing an individual health insurance plan, a person must complete the standard health questionnaire, which is a health screening tool designated by the Washington State Health Insurance Pool (WSHIP). A health carrier may deny coverage to a person based on the results of the questionnaire, until January 1, 2014, after which federal law will prohibit denials of coverage based on health status.

The WSHIP, Washington's high risk pool, provides coverage for:

- persons who were denied coverage on the individual market based on the standard health questionnaire;
- persons residing in counties where no carrier offers a health benefit plan, other than a catastrophic plan;
- persons eligible for Medicare who provide evidence of any of the following, the effect of which is to substantially reduce coverage from that received by a person considered to be standard risk (persons eligible for Medicare on or after August 1, 2009, must also have no access to a reasonable choice of Medicare Part C plans):

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- rejection for medical reasons;
- a requirement of restrictive riders;
- an up-rated premium;
- a pre-existing conditions limitation;
- lack of access to a Medicare supplemental insurance policy; and
- persons under the age of 19 who do not have access to individual plan open enrollment (or special enrollment) or the federal Pre-Existing Condition Insurance Pool.

By December 1, 2012, the WSHIP was required to review the populations that may need ongoing access to pool coverage, including persons with end-stage renal disease or HIV/AIDS or persons not eligible for Exchange coverage. If the review indicated the need for continued coverage, the WSHIP Board was required submit recommendations regarding modifications to pool eligibility that would allow new enrollees in the WSHIP on or after January 1, 2014, including any needed modifications to the standard health questionnaire or other eligibility screening tool that could be used to determine pool enrollment.

The WSHIP report found that there may be persons who need ongoing access to the pool, including persons needing Medicare supplemental insurance and persons who do not have access to individual insurance due to factors such as geography or immigration status. The report also recommended that current eligibility requirements for the WSHIP's Medicare plans be maintained and that eligibility for non-Medicare plans be changed to residents of Washington who are not eligible for Medicare or Medicaid and who do not have access to an individual health benefit plan. The report went on to recommend the elimination of the standard health questionnaire and the WSHIP eligibility requirements for persons under age 19.

Summary of Bill:

The standard health questionnaire is eliminated.

Eligibility for the WSHIP is eliminated for persons denied coverage based on the standard health questionnaire, persons residing in counties where no carrier offers a health benefit plan, other than a catastrophic plan, and persons under the age of 19 who do not have access to individual plan open enrollment (or special enrollment) or the federal Pre-Existing Condition Insurance Pool.

Non-Medicare WSHIP eligibility is limited to state residents who are not eligible for Medicaid or Medicare and who reside in a county where no individual health plan (other than a catastrophic plan) is offered through the private market inside or outside of the exchange. State residents ineligible for Medicare who are enrolled in the WSHIP prior to December 31, 2013, remain eligible for pool coverage until December 31, 2017. The WSHIP must discontinue all non-Medicare plans effective December 31, 2017.

The WSHIP must revisit the study of eligibility completed in 2012 and conduct another review of the populations that may need ongoing access to coverage through the WSHIP. The study must include both the non-Medicare populations scheduled to lose coverage and Medicare populations, including whether the enrollees have access to comprehensive coverage alternatives that include appropriate pharmacy coverage. The study must include recommendations to address any barriers to eligibility that remain in accessing other coverage such as Medicare

supplemental coverage or comprehensive pharmacy coverage. The study must also include suggestions for financing changes and recommendations on a future expiration of the pool.

Appropriation: None.

Fiscal Note: Available for substitute bill.

Effective Date: The bill takes effect 90 days after adjournment of the session in which bill is passed, except for sections 2 and 3 eliminating the standard health questionnaire and changing WSHIP eligibility, which take effect on January 1, 2014.