

HOUSE BILL REPORT

HB 1669

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to continuity of health care coverage.

Brief Description: Establishing a task force on continuity of health coverage and care.

Sponsors: Representatives Riccelli, Harris, Cody, Tharinger, Van De Wege, Jinkins, Sawyer, Moeller and S. Hunt.

Brief History:

Committee Activity:

Health Care & Wellness: 2/11/15, 2/18/15 [DPS].

Brief Summary of Substitute Bill

- Establishes the Task Force on Continuity of Coverage and Care.
- Requires the Office of Financial Management to contract for a study of the affordability and availability of health care coverage in Washington.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cody, Chair; Riccelli, Vice Chair; Clibborn, Jinkins, Moeller, Robinson, Tharinger and Van De Wege.

Minority Report: Without recommendation. Signed by 4 members: Representatives Schmick, Ranking Minority Member; DeBolt, Johnson and Rodne.

Minority Report: Do not pass. Signed by 3 members: Representatives Harris, Assistant Ranking Minority Member; Caldier and Short.

Staff: Jim Morishima (786-7191).

Background:

Health care coverage for individuals can come from a variety of sources. For example:

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.

- Medicaid is a federal-state partnership that provides coverage for low-income individuals at the state level with federal matching funds. The federal Patient Protection and Affordable Care Act (PPACA) expanded Medicaid eligibility to most adults with incomes at or below 133 percent of the federal poverty level.
- Individuals may also receive employer-sponsored health coverage purchased on the small group market, purchased on the large group market, or self-funded by the employer.
- Individuals may also purchase health coverage on the individual market. Under the PPACA, each state must establish a Health Benefit Exchange in which consumers may compare and purchase individual and small group market health insurance. Individuals between 134 and 400 percent of the federal poverty level will be eligible for federal premium and cost-sharing subsidies in the Exchange on a sliding scale. Washington's Health Benefit Exchange is called the Washington Healthplanfinder.

Based on factors like employment status or income, individuals may lose eligibility for their sources of coverage, gain eligibility for new coverage, or voluntarily switch coverage.

Summary of Substitute Bill:

The Task Force on Continuity of Health Coverage and Care is established (Task Force). The Governor must appoint members to the Task Force representing:

- patients;
- consumer advocates;
- labor unions;
- business interests;
- health plans that participate in Medicaid;
- health plans offering commercial insurance;
- health care providers;
- hospitals;
- the Washington Healthplanfinder;
- the Health Care Authority;
- the Department of Social and Health Services;
- the Office of the Insurance Commissioner;
- the Department of Health;
- the Department of Labor and Industries; and
- accountable communities of health.

The Task Force will select its chair from among its membership. The Governor must convene the first meeting of the Task Force.

The Task Force must review and analyze data and identify options and strategies regarding:

- easing transitions between different types of health plans, including employer-sponsored insurance, individual insurance, and public programs;
- identifying the assistance necessary to help enrollees when they transition between health insurance plans or lose eligibility for coverage;

- identifying options to reduce financial and eligibility barriers to obtaining and maintaining coverage; and
- establishing accountability and coordination among state agencies and the Washington Healthplanfinder.

Meetings of the Task Force are open to the public and must provide opportunities for public comment. Staff support for the Task Force must be provided by the Office of Financial Management.

The Task Force must report its preliminary findings and recommendations to the Governor and the appropriate committees of the Legislature by December 1, 2015, and a final report by December 1, 2016. The Task Force expires on June 30, 2017.

The Office of Financial Management must contract for a study of the affordability and availability of health care coverage in Washington. The study must evaluate:

- the availability and affordability of health coverage options for Washington residents;
- the rates at which residents could transition between health insurance programs and discontinue coverage due to fluctuations in income and circumstances;
- options for improving affordability for low-income residents through a microsimulation model that fully takes into account all relevant eligibility factors, including unaccepted offers of employer-sponsored insurance, and a thorough analysis of state budget offsets; and
- the potential for improved health coverage that will result in state budget savings.

The Office of Financial Management must submit the results of the study to the Governor, the Legislature, and the Task Force by March 1, 2016.

Substitute Bill Compared to Original Bill:

The substitute bill:

- adds the Department of Health, the Department of Labor and Industries, and accountable communities of health to the Task Force; and
- clarifies that the Task Force will review easing transitions between different types of health plans, instead of different types of insurance coverage and plans.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Everyone deserves the security of health care. Five years ago, the health care landscape was completely different—preexisting condition exclusions, no exchange, no

premium subsidies, and limited Medicaid eligibility. The number of uninsured and uncompensated care at hospitals have decreased. Although improvements have been made, many people still go without coverage. There are many unanswered questions. For example, the transition in and out of different types of coverage, also known as "churn," is still not fully understood. It is also unknown how many people can afford the coverage for which they are eligible. How the individual mandate affects decision making is also unclear. This bill will help the state study health care coverage and help residents get and maintain coverage. This is a critical step in evaluating health care reform. This bill will help the state get better data and make strategic decisions in increasing access to care.

(Opposed) None.

Persons Testifying: Representative Riccelli, prime sponsor; Sybill Hyppolite, SEIU 1199NW; Chelene Whiteaker, Washington State Hospital Association; and Sean Graham, Washington State Medical Association.

Persons Signed In To Testify But Not Testifying: None.