

# SENATE BILL REPORT

## SB 6405

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As Reported by Senate Committee On:  
Financial Institutions & Insurance, January 20, 2016

**Title:** An act relating to the civilian health and medical program for the veterans affairs administration.

**Brief Description:** Addressing the civilian health and medical program for the veterans affairs administration.

**Sponsors:** Senators Benton, Roach, McCoy, O'Ban, Angel and Conway.

**Brief History:**

**Committee Activity:** Financial Institutions & Insurance: 1/20/16, 1/20/16 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass.

Signed by Senators Benton, Chair; Angel, Vice Chair; Mullet, Ranking Minority Member; Fain, Hobbs, Litzow, Nelson and Pedersen.

**Staff:** Aldo Melchiori (786-7439)

**Background:** The federal Department of Veterans Affairs offers a health benefits program, the Civilian Health and Medical Program, commonly called CHAMPVA. The CHAMPVA shares the cost of certain health care services and supplies with eligible beneficiaries, with reimbursement for most medical expenses including inpatient, outpatient, mental health, prescription medication, skilled nursing care, and durable medical equipment.

Eligible beneficiaries include the spouse or widow or widower and the children of a veteran who:

- is rated permanently and totally disabled due to a service-connected disability;
- was rated permanently and totally disabled due to a service-connected condition at the time of death;
- died of a service-connected disability; or
- died on active duty, and the dependents are not eligible for Department of Defense Tricare benefits.

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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.*

Supplemental insurance policies are available to offset some or all out-of-pocket costs. The supplemental insurance policies are sold by private insurance carriers, and a variety of carriers offer policies across the country, but policies are not currently available in Washington State. Current insurance law allows for the supplemental policies.

**Summary of Bill:** The CHAMPVA is included in the definition of "group disability insurance" and excluded from the definition of a "health plan". The CHAMPVA may be offered to a qualified Washington resident under a group disability policy.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Without the availability of this coverage, these families can't afford the gap insurance they need. American veterans should not have to choose between insurance coverage and groceries. This coverage is available in all but a few states including Washington. These families have already made significant sacrifices for their country. This change will remove the only remaining statutory barrier to the availability of the CHAMPVA in Washington. The providers have been notified that this bill, if passed, will allow them to offer coverage in Washington.

**Persons Testifying:** PRO: Senator Benton, prime sponsor; Lonnie Johns-Brown, Office of the Insurance Commissioner

**Persons Signed In To Testify But Not Testifying:** No one.