

# HOUSE BILL REPORT

## SSB 5683

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**As Passed House - Amended:**  
February 28, 2018

**Title:** An act relating to health care for Pacific Islanders residing in Washington under a compact of free association.

**Brief Description:** Concerning health care for Pacific Islanders residing in Washington under a compact of free association.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Saldaña, Kuderer, Cleveland, Hasegawa, Darneille, Hunt, Conway, Keiser, Hobbs, McCoy and Pedersen).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/16/18 [DPA];  
Appropriations: 2/24/18, 2/26/18 [DPA(APP w/o HCW)].

**Floor Activity:**

Passed House - Amended: 2/28/18, 57-41.

**Brief Summary of Substitute Bill  
(As Amended by House)**

- Creates a premium assistance program for Washington residents who are citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass as amended. Signed by 11 members: Representatives Cody, Chair; Macri, Vice Chair; Clibborn, DeBolt, Harris, Jinkins, Riccelli, Robinson, Slatter, Stonier and Tharinger.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Caldier and Maycumber.

**Staff:** Jim Morishima (786-7191).

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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.*

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass as amended by Committee on Appropriations and without amendment by Committee on Health Care & Wellness. Signed by 20 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; Bergquist, Cody, Fitzgibbon, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Stanford, Sullivan and Tharinger.

**Minority Report:** Do not pass. Signed by 13 members: Representatives MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Caldier, Condotta, Graves, Haler, Manweller, Schmick, Taylor, Vick, Volz and Wilcox.

**Staff:** Catrina Lucero (786-7192).

### **Background:**

#### The Washington Healthplanfinder.

Under the federal Patient Protection and Affordable Care Act (ACA), each state must establish a health benefit exchange through which consumers may compare and purchase individual and small group coverage, access premium and cost-sharing subsidies, and apply for Medicaid coverage. Premium subsidies are available to individuals between 100 percent and 400 percent of the federal poverty level. Qualified health plans (QHPs) sold in an exchange must meet certain standardized actuarial values: Bronze (60 percent), Silver (70 percent), Gold (80 percent), and Platinum (90 percent).

Washington's health benefit exchange, the Washington Healthplanfinder, is a public-private partnership governed by a board consisting of members with expertise in the health care system and health care coverage.

#### The Compact of Free Association.

Under the Compact of Free Association (COFA), citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau may live and work in the United States and serve in the United States Military. Citizens of COFA nations are also eligible for premium assistance through the health benefit exchanges established by the ACA. Citizens of COFA nations are, however, ineligible for Medicaid.

#### Health Impact Review.

The Washington State Board of Health (Board), in collaboration with the Governor's Interagency Council on Health Disparities, may complete health impact reviews on legislative proposals to evaluate the proposals' impact on health and health disparities. In 2016 the Board completed a health impact review of House Bill 2986 (2016), which created a premium assistance program for citizens of COFA nations. The Board determined that the program would improve access and outcomes for COFA citizens and decrease health disparities.

## **Summary of Amended Bill:**

The COFA Premium Assistance Program (Program) is established. Through the Program, the Health Care Authority (HCA) must, within funds appropriated for the specific purpose, pay the premiums and out-of-pocket costs associated with a QHP purchased by an eligible individual. A person is eligible for the Program if he or she:

- is a Washington resident;
- is a citizen of a COFA nation;
- enrolls in a Silver plan;
- has an income that is less than 133 percent of the federal poverty level; and
- is ineligible for a federal or state medical assistance program administered by the HCA.

A person is disqualified for the Program if he or she:

- no longer meets the eligibility criteria;
- fails to comply with the Program requirements related to procedures or documentation;
- fails to notify the HCA of a change of address in a timely manner;
- withdraws his or her application or requests the termination of coverage; or
- commits fraud that results in an insurer rescinding the policy.

The HCA must establish:

- application, enrollment, and renewal processes;
- the QHPs that are eligible for reimbursement by the Program;
- procedural requirements for participation in the Program;
- open enrollment and special enrollment periods consistent with the enrollment periods of the Washington Healthplanfinder—the first open enrollment period must begin by November 1, 2018; and
- a comprehensive community education and outreach campaign that must, subject to the availability of appropriated funds, provide culturally and linguistically accessible information to facilitate participation in the program—the community education and outreach campaign must begin no later than September 1, 2018.

The HCA must appoint an advisory committee (Committee) that must include insurers and representatives of communities of citizens of COFA nations. The Committee must advise the HCA in the development, implementation, and operation of the Program. The Committee may be dissolved after December 31, 2019. Members may be reimbursed for their travel expenses.

By December 31, 2019, the HCA must report to the Governor and the Legislature on the implementation of the Program. The report must include:

- the number of people participating in the Program;
- the actual costs of the Program compared to predicted costs;
- the results of the community education and outreach campaign; and
- the funding needed to continue the program through the end of the biennium.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) Washington has a long-standing relationship with citizens of COFA nations, who live and work in this state and have a unique immigration status. Citizens of COFA nations used to be eligible for Medicaid, but not anymore. Lack of access to health coverage causes COFA citizens to forego or delay treatment, which can lead to devastating health outcomes, higher health care costs, and increased utilization of safety net resources like community health centers. Lack of access to health services can also affect the children of COFA citizens. Citizens of COFA nations often pay for medical expenses out of their own pockets. This bill pays the premiums and out-of-pocket expenses for COFA citizens below the eligibility threshold for Medicaid. The bill will help COFA citizens access effective coverage that meets their needs and allows them to thrive. It is important that out-of-pocket expenses be covered by this bill because otherwise enrollees will have to choose between medical care and essentials such as food or rent. This bill will provide parity between COFA citizens and other vulnerable populations. This bill will make our health care system more equitable.

(Opposed) None.

(Other) The health impact review performed on similar legislation found that this bill would help people access services and improve health outcomes. People without health insurance are five to six times more likely to forego care for conditions like asthma and diabetes. Early detection of health problems leads to improved health outcomes. The health impact review found that this bill will help improve disparities based on race, ethnicity, and income.

**Staff Summary of Public Testimony (Appropriations):**

(In support) The cost sharing coverage included in this bill is an important part of ensuring program participants have access to health care. The premium payment program creates parity for individuals who would otherwise qualify for Medicaid if it were not for their citizenship status. Accessing preventative care means that people avoid more costly procedures in the future. This may lead to cost savings.

(Opposed) None.

**Persons Testifying (Health Care & Wellness):** (In support) Senator Saldana, prime sponsor; Bernadette Creaven, County Doctor Community Health Centers; Rukeyia Larron; Litonya Lester, Children's Alliance; and Michael Itti, Commission on Asian American Pacific Affairs.

(Other) Christy Hoff, Washington State Board of Health.

**Persons Testifying (Appropriations):** Emily Murphy, Children's Alliance.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations): None.**