

SENATE BILL REPORT

SB 5368

As Reported by Senate Committee On:
Health Care, February 16, 2017

Title: An act relating to limiting the authority to seek medicaid waivers.

Brief Description: Limiting the authority to seek medicaid waivers.

Sponsors: Senators Becker, Rivers, O'Ban, Brown, Sheldon, Angel, Bailey, Braun, Warnick and Honeyford.

Brief History:

Committee Activity: Health Care: 1/31/17, 2/16/17 [DP, DNP].

Brief Summary of Bill

- Requires the Health Care Authority to seek legislative authorization prior to seeking federal waivers.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass.

Signed by Senators Rivers, Chair; Becker, Vice Chair; Bailey, Baumgartner, Fain, Miloscia, O'Ban and Walsh.

Minority Report: Do not pass.

Signed by Senators Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Conway, Keiser and Mullet.

Staff: Mich'l Needham (786-7442)

Background: The Federal Social Security Act created Medicaid as a joint federal and state program. Medicaid is an umbrella term that encompasses many programs, including medical assistance programs, long term care services and supports, developmental disabilities administration, and behavioral health programs. Federal law established a range of eligibility categories, with some mandatory populations, such as low-income children, pregnant women, and disabled and elderly populations, and some optional populations states may choose to cover. Medicaid is an entitlement program which means that anyone who meets

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.

eligibility rules has a right to enroll in Medicaid coverage. Federal law also established certain mandatory health services and states can choose to cover additional services such as prescription drugs, dental care, and personal care services for frail seniors and people with disabilities.

Section 1115 of the Social Security Act gives the Secretary of Health and Human Services authority to approve experimental, pilot, or demonstration projects that promote objectives of the Medicaid program and the Children's Health Insurance Program (CHIP). States can apply for waivers to demonstrate approaches that may expand the program eligibility, provide services not typically covered by Medicaid, or test innovative service delivery systems that improve care, increase efficiency, and reduce costs. The demonstration waivers must be budget neutral to the Federal government, and must meet other criteria.

There are general criteria the federal Center for Medicare and Medicaid Services (CMS) uses to determine whether Medicaid/CHIP program objectives are met. These criteria include whether the demonstration will:

- increase and strengthen overall coverage of low-income individuals in the state;
- increase access to, stabilize, and strengthen providers and provider networks available to serve Medicaid and low-income populations in the state;
- improve health outcomes for Medicaid and other low-income populations in the state;
- or
- increase the efficiency and quality of care for Medicaid and other low-income populations through initiatives to transform service delivery networks.

The demonstration waivers are approved for an initial five-year period and can be extended for an additional three years. The Washington State Health Care Authority recently received approval from CMS for a five-year \$1.5 billion demonstration waiver to continue the work of transforming the delivery system.

Summary of Bill: The Health Care Authority shall not pursue federal waivers that obligate the state to future spending, create entitlements, or expand the scope of government without legislative authorization.

The statutory direction to seek an 1115 federal demonstration waiver is repealed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The Legislature wants to know what is happening prior to any applications being submitted for grants or waivers. We need to have conversations about these applications.

OTHER: It is my understanding that the current 1115 waiver does not obligate the state to future spending. We have some concerns about the new federal administration and whether they will honor the commitment for the \$1.5 billion waiver contract, and what the future waivers or block grants may look like.

Persons Testifying: PRO: Senator Randi Becker, Prime Sponsor.

OTHER: Sheri Nelson, Assn. of WA Business.

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