

# SENATE BILL REPORT

## SB 5683

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As Reported by Senate Committee On:  
Health Care, February 16, 2017  
Ways & Means, January 16, 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:** Senators Saldaña, Kuderer, Cleveland, Hasegawa, Darneille, Hunt, Conway, Keiser, Hobbs, McCoy and Pedersen.

**Brief History:**

**Committee Activity:** Health Care: 2/14/17, 2/16/17 [DP-WM, w/oRec].  
Ways & Means: 2/21/17, 1/16/18 [DPS].

**Brief Summary of First Substitute Bill**

- 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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### SENATE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Baumgartner, Conway, Fain, Keiser, Miloscia, Mullet, O'Ban and Walsh.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Becker, Vice Chair.

**Staff:** Evan Klein (786-7483)

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### SENATE COMMITTEE ON WAYS & MEANS

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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.*

**Majority Report:** That Substitute Senate Bill No. 5683 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Braun, Ranking Member; Honeyford, Assistant Ranking Member; Bailey, Becker, Billig, Brown, Carlyle, Conway, Darneille, Fain, Hasegawa, Hunt, Keiser, Mullet, Pedersen, Ranker, Rivers, Schoesler and Wagoner.

**Staff:** Sandy Stith (786-7710)

**Background:** 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 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.

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 Exchanges established by the ACA. Citizens of COFA nations are, however, ineligible for Medicaid.

The 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 on HB 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.

A Health Impact Review of this legislation was requested and is available at the Washington State Board of Health's website, <http://sboh.wa.gov/Portals/7/Doc/HealthImpactReviews/HIR-2017-12-SB5683.pdf>.

**Summary of Bill (First Substitute):** The COFA Premium Assistance Program (Program) is established. Through the Program, the Health Care Authority (HCA) must, within funds appropriated for the specific funds, pay the premiums and out-of-pocket costs associated with a qualified health plan purchased by an eligible individual. A person is eligible for the Program if they:

- are a Washington resident;
- are a citizen of a COFA nation;
- enroll in a Silver plan;
- have an income that is less than 133 percent of the federal poverty level; and
- are ineligible for Medicaid coverage.

A person is disqualified for the program if they:

- no longer meets the eligibility criteria;
- fail to comply with the Program requirements related to procedures or documentation;
- fail to notify HCA of a change of address in a timely manner;
- withdraw their application or request the termination of coverage; or
- commit fraud that results in an insurer rescinding the policy.

The HCA must establish:

- application, enrollment, and renewal processes;
- the qualified health plans 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 begin no later than September 1, 2018. Subject to amounts appropriated for this purpose, this education and outreach shall be culturally and linguistically appropriate.

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 shall exist until at least December 31, 2019. Subject to amounts appropriated for this purpose, Committee members may be reimbursed for travel expenses related to the Committee, as needed.

By December 31, 2019, 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
- funding needed to continue the program through the end of the biennium.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):**

- Advances all implementation dates by one year.
- Provides that the advisory committee shall exist until at least December 31, 2019.
- Provides for the following, subject to availability of funds: (1) Outreach and education programs shall provide culturally and linguistically accessible information to facilitate program participation, and (2) advisory committee members may be reimbursed for transportation and travel expenses related to serving on the committee.

**Appropriation:** None.

**Fiscal Note:** Available.

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

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

**Staff Summary of Public Testimony on Original Bill (Health Care):** *Testimony from 2017 Regular Session.* PRO: Our district is the home of the international district with a very diverse population, including many Pacific Islanders. There are approximately 6500 COFA citizens in Washington. The fiscal note shows a large enrollment assumption but it missed that children and pregnant women are already covered so there would be a smaller take up than assumed with 2000 to 3000 that could qualify for the new program. Washington has a significant number of Pacific Islanders here. Through the compact, these citizens are able to freely migrate, study, and work here, but changes in 1996 to Medicaid coverage took Medicaid away from COFA citizens. It is critical to access health care especially to address the unique health disparities with this population, many of which were caused by the United States bombing of their islands. There is a long history with the United States and these islands. Many lands were contaminated by our bombing. We should provided access to health care for these individuals that is the same as other legally present individuals. The Board of Health completed a health impact review that shows if Washington creates a COFA premium assistant program people will enroll and they will have improved access to care.

**Persons Testifying (Health Care):** PRO: Senator Rebecca Saldaña, Prime Sponsor; Holly Barker, citizen; Desiree Gross, UW Student; Rachael Tamngin, University of Washington student; Brianne Ramos, Pacific Islander Health Board.

OTHER: Alexandra Montano, State Board of Health/Policy Analyst.

**Persons Signed In To Testify But Not Testifying (Health Care):** No one.

**Staff Summary of Public Testimony on Original Bill (Ways & Means):** *Testimony from 2017 Regular Session. The committee recommended a different version of the bill than what was heard.* PRO: Washington is home to approximately 6500 Pacific Islanders that are part of the Compact of Free Association. They live and work and move freely but in 1996 the Medicaid benefits were taken away and there hasn't been consistent access to health care. It is anticipated that 2000 Pacific Islanders would be eligible for the premium assistance program created here. It would help promote health equity. A lot of Pacific Islanders face tremendous health problems due to the radiation exposure from more than 60 nuclear bombs the United States detonated on the islands. Many are eligible for coverage through the ACA but those below the income threshold for the Exchange plans have no access to coverage.

**Persons Testifying (Ways & Means):** PRO: Brianne Ramos, Pacific Islander Health Board; Jiji Jally, citizen.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.