

SENATE BILL REPORT

SB 5984

As of January 21, 2018

Title: An act relating to expanding access to health care for all state residents with apple health on the health benefit exchange.

Brief Description: Concerning access to health care for all state residents with apple health on the health benefit exchange.

Sponsors: Senators Kuderer, Wellman and Frockt.

Brief History:

Committee Activity: Health & Long Term Care: 1/18/18.

Brief Summary of Bill

- Pursuant to receipt of necessary federal waivers, requires the Health Care Authority (HCA) to establish the Apple Health Public Option alongside the Apple Health Plan.
- Establish the Evergreen Health Plan as a Qualified Health Plan to be offered in every county of the state, if HCA fails to receive the necessary federal waivers to establish the Apple Health Public Option.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Evan Klein (786-7483)

Background: Apple Health. Washington Apple Health is the Medicaid managed care program for low-income people in Washington. Washington Apple Health offers eligible families, children under age 19, pregnant women, certain blind or disabled individuals, and adults aged 19 through 64 who earn income below certain income thresholds, a complete medical benefits package.

The HCA establishes standards for managed care organizations that seek to contract to provide services to clients in the Washington Apple Health program. The standards include:

- obtaining a certificate of registration from the Office of the Insurance Commissioner to provide the health care services;
- accepting the HCA's managed care contract;

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- demonstrating the ability to meet the HCA's network and quality standards; and
- being awarded a contract through a competitive process or an application process.

The Health Benefit Exchange (Exchange). The Exchange is a public-private partnership that serves as Washington State's insurance marketplace for individuals, families and small businesses. The Exchange, through the Washington Healthpathfinder, provides access to multiple insurance plans and federal premium tax credits. Individuals may also apply for Apple Health coverage through the Exchange.

Qualified Health Plans. Under the Affordable Care Act (ACA), an individual who enrolls in a qualified health plan (QHP) through a health benefit exchange may be eligible for a premium tax credit if the individual household income is 100 to 400 percent of the federal poverty line and the individual is not eligible for minimum essential coverage through another coverage option such as Medicaid, Medicare, or an employer-sponsored plan.

The ACA specifies four categories of health plans to be offered through the Exchange and in the individual and small group markets outside the Exchange. The categories are based on the percentage of the costs the plan is expected to pay, ranging from bronze plans that cover 60 percent of the actuarial value of the plan's benefits to platinum plans that cover 90 percent of the actuarial value of the plan's benefits. If a silver plan is offered by a QHP, the QHP must also offer a gold plan option.

Federal Waivers. Sections 1115 and 1332 of the ACA allow states to apply for waivers of Medicaid and insurance rules enacted by the ACA, for purpose of developing innovative ways to deliver coverage.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): Apple Health Public Option. Pursuant to receipt of any necessary federal waivers, HCA must establish the Apple Health Public Option (Public Option) to provide an option for state residents purchasing individual health coverage. HCA must consult with the Exchange to to pursue any necessary federal waivers to allow the Public Option to be offered as a QHP through the Washington Healthplanfinder, alongside the Apple Health Plan. If the waiver request is not approved, HCA may not operate the Public Option.

The Public Option must offer a benefit package with the essential health benefits, and must include two options: one with an actuarial value of a silver benefit package; and one with an actuarial value of a gold benefit package. HCA must seek to maximize federal funding.

HCA must procure the Public Option to be offered by one or more managed care plans, and must explore the possibility of combining the risk pools of the Public Option and the Apple Health Plan.

Provider rates through the Public Option must be set at at-least 100 percent of Medicare payment rates.

Evergreen Health Plan. If a waiver request for operationalizing the Public Option is not approved, then HCA must establish the Evergreen Health Plan (Plan). The Plan must be available on the Exchange in every county of the state. The Plan must be available to anyone found ineligible for Medicaid and eligible to purchase coverage on the individual market.

The Plan must include two benefit packages with actuarial values of the silver and gold level benefit packages, and must include the essential health benefits.

HCA must procure the Plan to be offered by one or more managed care plans, and must include the procurement as part of any ongoing or future contract procurements with managed care plans for delivery of Medicaid services.

HCA must advise the Legislature if the procurement of the Plan necessitates any changes to state law.

Appropriation: None.

Fiscal Note: Requested on January 9, 2018.

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 Proposed Substitute: PRO: Of all of the forms of inequality, inability to access healthcare is the most shocking and inhuman. Access to health care is a human right. Making healthcare available to all residents is a great investment for all citizens of the state. Increasing the number of people on the exchange will help decrease premium costs and make individual coverage more affordable. Increasing the Medicaid reimbursement rate would also help with getting Medicaid recipients access to providers. Let us no longer let people die because they do not have access to health care.

OTHER: The work being done on the individual market is great. This bill overlays well with reinsurance and other proposals to stabilize the individual market. This is a very big and new idea, which is intriguing. However, the bill needs to avoid unintended consequences. There are several other big ideas out there.

Persons Testifying: PRO: Senator Patty Kuderer, Prime Sponsor; Michelle Percopo, citizen.

OTHER: Erin Dzedzic, American Cancer Society, Bleeding Disorder Foundation of Washington, Susan G Komen Puget Sound; Chris Bandoli, WSHA; Sean Graham, WSMA.

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