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For Release: Immediate
Date: Sept. 4, 2009

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Washington receives \$34.7 million to provide health insurance to employees of small businesses

OLYMPIA – Gov. Chris Gregoire today announced that the state will receive \$34.7 million from the federal government over five years to provide health insurance to employees of small businesses.

Washington is one of 13 states to receive the grants. Washington's portion will be used to resume a program to provide health insurance to employees of small businesses in the state.

"I am pleased the federal government recognized the multi-agency effort we put together and rewarded us with this important grant," Gregoire said. "I thank Secretary Kathleen Sebelius and the federal Department of Health and Human Services for their support."

The Health Insurance Partnership, the state's program to provide subsidized health care coverage to employees of small businesses, was scheduled to enroll qualifying businesses earlier this year. However, the state's financial crisis forced the program to shut down in late 2008.

The State Health Access Program grant from the federal Department of Health and Human Services' Health Resources and Services Administration will allow the state to resume work on the program so it can be operational by Sept. 1, 2010. Subject to available funds and progress on the project, the state would receive \$1.2 million the first year, \$3.5 million the second year and \$9.9 million in the following three years.

The federal grants are funded under the new State Health Access Program, an outgrowth of HHS's State Planning Grant program that operated from 2000-07. Under this program,

many states developed innovative plans that increased health insurance coverage for their uninsured residents.

The Washington State Health Care Authority, which was to administer the HIP program, is reviewing the requirements of the grant. It will announce a plan to resume the HIP program later this month.

The grant will also be used to underwrite the 2009 Legislature's directive that the state Department of Social and Health Service develop a Medicaid waiver that would support national health-care reform. If approved by the federal government, the proposed waiver would give the state more flexibility in developing innovative approaches and program features that will provide seamless coverage for low-income residents in the future.

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