

# ANALYSIS OF HOUSE BILL 1301

Creating the Children Health Insurance Program.

And

# HOUSE BILL 1469

Creating the Children Health Initiative Program.

SPONSORS: (HB 1301) Representative Edwards and Ruderman.  
(HB 1469) Representative Barlett and Alexander.

## BACKGROUND:

In 1997, Congress established the State Children Health Insurance Program (CHIP) under the new Title XXI of the Social Security Act. Authorized for ten years, the program makes federal matching funds available to states at an "enhanced" rate in order to expand health insurance coverage of low-income children.

CHIP matching funds may be used to provide health coverage to children under 19 with family incomes below 200 percent of the federal poverty level (FPL) or 50 percentage points higher than a state's Medicaid eligibility levels. The funds may not be used to cover any child who was eligible for coverage under an existing state program as of June 1997.

Since 1993, Washington has provided health insurance coverage through Medicaid and Basic Health Plus for children with family incomes up to 200 percent of FPL. Thus, Washington may receive CHIP matching funds only for children in families with incomes between 200 and 250 percent of FPL.

The law allows the state to expand its coverage in one of three basic ways: (1) Medicaid expansion; (2) creating or expanding a separate program that provides coverage through participating insurers; (3) a combination of both. Under option (1) the state would be required to follow all Medicaid requirements, regarding, for example, the title, name of the program, eligibility, benefit, and cost sharing. Option (2) would give the state greater flexibility regarding program design but would require benefits consistent with one of three benchmark plans set forth in the federal law. Option (3) may require that the state apply for waivers of Title XXI provisions through Section 1115 of the Social Security Act.

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**SUMMARY:** [See attached chart]

HB 1301 creates the Children Health Insurance Program under the auspices of the Department of Social and Health Services (DSHS). The program provides health insurance coverage to persons age 18 and under whose family income is between 200 and 250 percent of the federal poverty level. The DSHS is given general authority to design and implement the program consistent with the requirements of Title XXI of the Social Security Act.

HB 1469 creates the Children Health Initiative Program under the auspices of the Health Care Authority (HCA). The benefits and the poverty level are the same as in HB 1301; however, eligibility is limited to children with special health needs.

# Children Health Insurance Program

## COMPARISON OF HB 1301 and HB 1469

	Under the age of nineteen.	Same.
	Between 200% and 250% of the Federal poverty level.	Same.
	Child must be uninsured; parent may have coverage.	<p>Same.</p> <p>Enrollee must reside in an area served by a managed health care system participating in the plan.</p> <p>Enrollee must have special health needs which are chronic health conditions that are expected to last at least one year and have significant sequelae requiring ongoing extensive medical intervention and extensive family management [See section (3) (5) for example].</p> <p>Eligibility must be reviewed on an annual basis.</p>
	Department of Social and Health Services through Medical Assistance (Medicaid) statute.	Health Care Authority through the Basic Health Plan statute.

	Non-entitlement.	Same.
	Comprehensive Medicaid package.	Same.
	Managed care through health carriers as fee-for-service.	Managed care but not necessarily through health carriers. No fee-for-service.
	Only for families above 150 percent of poverty and not more than 5 percent of income.	Same.
	10,000	900
	\$4 million Health Service Account (tobacco settlement)	\$2.7 million GF-S
	\$7.6 million GF-F	\$5.4 million GF-F
	July 1, 1999.	Same.