HOUSE BILL REPORT
HB 1441

Title: An act relating to health insurance coverage for children.

Brief Description: Providing access to health insurance for children.

Sponsors: Representatives Clibborn, Morrell, Campbell, Cody, Tom, Moeller, Schual-Berke, Wallace, Grant, Williams, Lovick, Ormsby, Chase, Kessler, Kagi, Hunt, Appleton, Darneille, Upthegrove, Sells, Roberts, Conway, Miloscia, Fromhold, P. Sullivan, Santos, Takko, Green, Wood, Simpson, Hasegawa and Dickerson.

Brief History:
> **Committee Activity:**
>> Health Care: 2/8/05, 2/15/05 [DPS];
>> Appropriations: 2/21/05, 3/5/05 [DP2S(w/o sub HC)].

Brief Summary of Second Substitute Bill

- States that the intent of the Legislature is for all children to have health insurance coverage by 2011.

- Provides that the policy and fiscal committees of the Legislature shall work together to make incremental progress towards that goal.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Condotta, Hinkle and Skinner.

Staff: Dave Knutson (786-7146).

Background:

The federal government granted a request from the State of Washington to charge monthly premiums for medical, dental, and mental health coverage of children whose family income is

above the poverty level. The Department of Social and Health Services has the statutory authority to establish, copayment, deductible, coinsurance, or other cost-sharing requirements for recipients of any medical program. The amount, scope, and duration of health care services for children served through the children's health program is the same as that provided to children through the medical assistance program operated by the Department of Social and Health Services. Eligibility for the children's health program for undocumented children is currently set at the Federal Poverty Level.

Summary of Substitute Bill:

The Department of Social and Health Services is prohibited from establishing premium requirements for children or pregnant women who are eligible for either the medical assistance or children's health programs. The requirement that the University of Washington conduct an evaluation of the maternity care access program is deleted. The eligibility for the children's health program for undocumented children is increased from the Federal Poverty Level to 200 percent of the Federal Poverty Level.

Substitute Bill Compared to Original Bill:

The substitute bill removes the 12-month eligibility reauthorization cycle and the authorization to conduct outreach activities to sign people up for publicly funded health care. The eligibility for undocumented children through the children's health program is increased from the Federal Poverty Level to 200 percent of the Federal Poverty Level.

Appropriation: None.

Fiscal Note: Requested on February 4, 2005.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect July 1, 2005.

Testimony For: Undocumented children have lost health coverage through recent budget decisions. These children need access to regular, preventive health care, and ongoing health insurance.

(Neutral) If the Legislature chooses to provide health coverage to undocumented children through the children's health program and not treat it as an entitlement, the Department of Social and Health Services should be authorized to cap enrollment.

Testimony Against: None.

Persons Testifying: (In support) Representative Clibborn, prime sponsor; Dr. Beth Harvey, American Academy of Pediatrics of Washington; Anita Mondian, Yakima Neighborhood Health and Children's Alliance; and Kevin Glackin-Coley, Children's Alliance.

(Neutral) Doug Porter, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: (In support) Bill Daley, Washington Citizen Action; Paul Benz, Lutheran Public Policy and Washington Association of Churches; Mary Kenfield, Washington State Parent Teacher Association; and Len McComb, Community Health Network and Washington State Hospital Association.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 16 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kessler, Linville, McDermott, Miloscia, Priest and Schual-Berke.

Minority Report: Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Clements, Kenney, Pearson, Talcott and Walsh.

Staff: Amy Hanson (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:

The second substitute bill maintains the current statutory authority for the Department of Social and Health Services to establish copayments, deductibles, coinsurance, or other cost-sharing requirements for recipients of medical programs. Authority to provide health care coverage through the children's health program to children whose family income is 200 percent of the Federal Poverty Level is removed. The appropriate fiscal and policy committees of the Legislature are directed to work together to expand coverage to all children in Washington State by 2011.

Appropriation: None.

Fiscal Note: Available on the substitute bill.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Taking care of children should be our number one priority. Children are the least expensive of all age groups to take care of and covering them sends a clear message that we know what we are about as a government. Over 50,000 children have lost Medicaid coverage since the administrative changes enacted in the 2003 budget. Charging low-income families premiums will result in large numbers of children losing health coverage. Children without health coverage will cost us more in hospitalization and other health care costs. Children's Medicaid premiums would exacerbate our current funding crisis in mental health.

Between 2002 and 2004, the percentage of children uninsured in Washington State went from 4.5 percent to 5.8 percent in two years. Between 2002 and 2003, charity care has increased 50 percent at hospitals in the state. This legislation is good government and is cost-effective. Providing children with consistent access to care will lead to their improved health as adults. Keeping children healthy and avoiding the need for hospitalizations helps keep health care costs down. It is much less expensive to treat children in a physician's office than in the emergency room or the hospital. We support the idea of covering all children with health insurance and eliminating Medicaid premiums, as this will benefit our state financially. The cost of delaying care and not providing a medical home is huge. The goals of education reform will not be realized to the fullest if our kids don't arrive at the classroom healthy and ready to learn.

Testimony Against: None.

Persons Testifying: (In support) Representative Clibborn, prime sponsor; Len McComb, Washington State Hospital Association, Health Network of Washington; Mary Kenfield, Washington State Parent Teacher Association; Dr. Beth Harvey, American Academy of Pediatrics; Dr. Sandy Melzer, Children's Hospital; and Jon Gould, Children's Alliance.

(Neutral) Jean Wessman, Association of Washington Counties.

Persons Signed In To Testify But Not Testifying: None.