
SUBSTITUTE HOUSE BILL 1071

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Health Care & Wellness (originally sponsored by Representatives Clibborn, Kessler, Kagi, Hudgins, Hasegawa, Eddy, Upthegrove, McCoy, Sells, McIntire, Fromhold, Jarrett, Appleton, Goodman, Haler, Green, Lantz, Ericks, Hunter, Williams, Darneille, Morrell, Simpson, Lovick, Kenney, Conway, Walsh, Moeller, B. Sullivan, Quall, Rolfes, Pettigrew and Wallace; by request of Governor Gregoire)

READ FIRST TIME 01/25/07.

1 AN ACT Relating to health care services for children; amending RCW
2 74.09.402; adding new sections to chapter 74.09 RCW; adding a new
3 section to chapter 28A.210 RCW; adding a new section to chapter 48.43
4 RCW; creating a new section; and repealing RCW 74.09.405, 74.09.415,
5 74.09.425, 74.09.435, and 74.09.450.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 74.09.402 and 2005 c 279 s 1 are each amended to read
8 as follows:

9 (1) The legislature finds that:

10 (a) Improving the health of children in Washington state is an
11 investment in a productive and successful next generation. The health
12 of ((the)) children ((of Washington state)) is critical to their
13 success in school and throughout their lives((-));

14 (b) Healthy children are ready to learn. In order to provide
15 students with the opportunity to become responsible citizens, to
16 contribute to their own economic well-being and to that of their
17 families and communities, and to enjoy productive and satisfying lives,
18 the state recognizes the importance that access to appropriate health

1 services and improved health brings to the children of Washington
2 state. In addition, fully immunized children are themselves protected,
3 and in turn protect others, from contracting communicable diseases;

4 (c) Children with health insurance coverage have better health
5 outcomes than those who lack coverage. Children without health
6 insurance coverage are more likely to be in poor health and more likely
7 to delay receiving, or go without, needed health care services;

8 ~~((b) Access to preventive and well child health services for~~
9 ~~children is a cost effective investment of both public and private~~
10 ~~dollars that improves the health of children and of our communities at~~
11 ~~large; and~~

12 ~~(e))~~ (d) Health care coverage for children in Washington state is
13 the product of critical efforts in both the private and public sectors
14 to help children succeed. Private health insurance coverage is
15 complemented by public programs that meet needs of low-income children
16 whose parents are not offered health insurance coverage through their
17 employer or who cannot otherwise afford the costs of coverage. In
18 ~~((2004))~~ 2006, thirty-five percent of children in Washington state had
19 some form of public health coverage. Washington state is making
20 progress in its efforts to increase the number of children with health
21 care coverage. Yet, even with ~~((the))~~ these efforts of both ~~((the))~~
22 private and public sectors, ~~((too))~~ many children in Washington state
23 continue to lack health insurance coverage. ~~((In 2004, almost one~~
24 ~~hundred))~~ In 2006, over seventy thousand children were uninsured.
25 Almost two-thirds of these children are low income; and

26 (e) Improved health outcomes for the children of Washington state
27 are the expected result of improved access to health care coverage.
28 Linking children with a medical home that provides preventive and well
29 child health services and referral to needed specialty services,
30 linking children with needed behavioral health and dental services,
31 more effectively managing childhood diseases, improving nutrition, and
32 increasing physical activity are key to improving children's health.
33 Care should be provided in appropriate settings by efficient providers,
34 consistent with high quality care and at an appropriate stage, soon
35 enough to avert to the need for overly expensive treatment.

36 (2) It is therefore the intent of the legislature that:

37 (a) All children in the state of Washington have health care
38 coverage by 2010. This should be accomplished by building upon and

1 strengthening the successes of private health insurance coverage and
2 publicly supported children's health insurance programs in Washington
3 state. Access to coverage should be streamlined and efficient, with
4 reductions in unnecessary administrative costs and mechanisms to
5 expeditiously link children with a medical home;

6 (b) The state, in collaboration with parents, schools, communities,
7 health plans, and providers, take steps to improve health outcomes for
8 the children of Washington state by linking children with a medical
9 home, identifying health improvement goals for children, and linking
10 innovative purchasing strategies to those goals.

11 NEW SECTION. Sec. 2. A new section is added to chapter 74.09 RCW
12 to read as follows:

13 (1) Consistent with the goals established in RCW 74.09.402, through
14 the program authorized in this section, the department shall provide
15 affordable health care coverage to children under the age of nineteen
16 who reside in Washington state and whose family income at the time of
17 enrollment is not greater than two hundred fifty percent of the federal
18 poverty level as adjusted for family size and determined annually by
19 the federal department of health and human services, and effective
20 January 1, 2009, to children whose family income is not greater than
21 three hundred percent of the federal poverty level. In administering
22 the program, the department shall take such actions as may be necessary
23 to ensure the receipt of federal financial participation under the
24 medical assistance program, as codified at Title XIX of the federal
25 social security act, the state children's health insurance program, as
26 codified at Title XXI of the federal social security act, and any other
27 federal funding sources that are now available or may become available
28 in the future.

29 (2) The department shall accept applications for enrollment for
30 children's health care coverage; establish appropriate minimum-
31 enrollment periods, as may be necessary; and determine eligibility
32 based on current family income. The department shall make eligibility
33 determinations within the time frames for establishing eligibility for
34 children on medical assistance, as defined by RCW 74.09.510. No
35 premium subsidy may be paid with respect to any child whose current
36 family income is greater than two hundred fifty percent of the federal
37 poverty level. The application and annual renewal processes shall be

1 designed to minimize administrative barriers for applicants and
2 enrolled clients, and to minimize gaps in eligibility for families who
3 are eligible for coverage. If a change in family income results in a
4 change in program eligibility, the department shall transfer the family
5 members to the appropriate programs and notify the family with respect
6 to any change in premium obligation, without a break in eligibility.
7 The department shall use the same eligibility redetermination and
8 appeals procedures as those provided for children on medical assistance
9 programs.

10 (3) To ensure continuity of care and ease of understanding for
11 families and health care providers, and to maximize the efficiency of
12 the program, the amount, scope, and duration of health care services
13 provided to children under this section shall be the same as that
14 provided to children under medical assistance, as defined in RCW
15 74.09.520.

16 (4) The primary mechanism for purchasing health care coverage under
17 this section shall be through contracts with managed health care
18 systems as defined in RCW 74.09.522. However, the department shall
19 make every effort within available resources to purchase health care
20 coverage for uninsured children whose families have access to dependent
21 coverage through an employer-sponsored health plan or another source
22 when it is cost-effective for the state to do so, and the purchase is
23 consistent with requirements of Title XIX and Title XXI of the federal
24 social security act. To the extent allowable under federal law, the
25 department shall require families to enroll in available employer-
26 sponsored coverage, as a condition of participating in the program
27 established under this act, when it is cost-effective for the state to
28 do so. Families who enroll in available employer-sponsored coverage
29 under this act shall be accounted for separately in the annual report
30 required by RCW 74.09.053.

31 (5)(a) To reflect appropriate parental responsibility, the
32 department shall develop a schedule of premiums for children's health
33 care coverage due to the department from families with income greater
34 than two hundred percent of the federal poverty level. The amount of
35 the premium shall be based upon family income and shall not exceed the
36 premium limitations in Title XXI of the federal social security act.
37 Premiums shall not be imposed on children in households at or below two

1 hundred percent of the federal poverty level as articulated in RCW
2 74.09.055.

3 (b) Beginning July 1, 2008, the department shall offer families
4 whose income is greater than two hundred fifty percent of the federal
5 poverty level the opportunity to purchase health care coverage for
6 their children through the programs administered under this section
7 without a premium subsidy from the state. Effective January 1, 2009,
8 the opportunity to purchase health care coverage shall be offered to
9 families whose income is greater than three hundred percent of the
10 federal poverty level. The amount paid by the family shall be in an
11 amount equal to the rate paid by the state to the managed health care
12 system for coverage of the child, including any associated and
13 administrative costs to the state of providing coverage for the child.

14 (6) The department shall undertake a proactive, targeted outreach
15 and education effort with the goal of enrolling children in health
16 coverage and improving the health literacy of youth and parents. The
17 department shall collaborate with the department of health, local
18 public health jurisdictions, the office of superintendent of public
19 instruction, the department of early learning, health educators, health
20 care providers, health carriers, and parents in the design and
21 development of this effort. The outreach and education effort shall
22 include the following components:

23 (a) Broad dissemination of information about the availability of
24 coverage, including media campaigns;

25 (b) Assistance with completing applications, and community-based
26 outreach efforts to help people apply for coverage. Community-based
27 outreach efforts should be targeted to the populations least likely to
28 be covered;

29 (c) Use of existing systems, such as enrollment information from
30 the free and reduced price lunch program, the department of early
31 learning child care subsidy program, and the early childhood education
32 and assistance program, to identify children who may be eligible but
33 not enrolled in coverage;

34 (d) Contracting with community-based organizations and government
35 entities to support community-based outreach efforts to help families
36 apply for coverage. These efforts should be targeted to the
37 populations least likely to be covered. The department shall provide

1 informational materials for use by government entities and community-
2 based organizations in their outreach activities, and should identify
3 any available federal matching funds to support these efforts;

4 (e) Development and dissemination of materials to engage and inform
5 parents and families statewide on issues such as: The benefits of
6 health insurance coverage; the appropriate use of health services,
7 including primary care provided by health care practitioners licensed
8 under chapters 18.71, 18.57, 18.36A, and 18.79 RCW, and emergency
9 services; the value of a medical home, well-child services and
10 immunization, and other preventive health services with linkages to
11 department of health child profile efforts; identifying and managing
12 chronic conditions such as asthma and diabetes; and the value of good
13 nutrition and physical activity;

14 (f) An evaluation of the outreach and education efforts, based upon
15 clear outcome measures that are included in contracts with entities
16 that undertake components of the outreach and education effort;

17 (g) A feasibility study and implementation plan to develop online
18 application capability that is integrated with the department's
19 automated client eligibility system, and to develop data linkages with
20 the office of superintendent of public instruction for free and reduced
21 price lunch enrollment information and the department of early learning
22 for child care subsidy program enrollment information. The department
23 shall submit a feasibility study on the implementation of the
24 requirements in this subsection to the governor and legislature by July
25 2008.

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.09 RCW
27 to read as follows:

28 (1) The legislature finds that parents have a responsibility to:

29 (a) Enroll their children in affordable health coverage;

30 (b) Ensure that their children receive appropriate well-child
31 preventive care;

32 (c) Link their child with a medical home; and

33 (d) Understand and act upon the health benefits of good nutrition
34 and physical activity.

35 (2) The legislature intends that the programs and outreach and
36 education efforts established in section 2(6) of this act, as well as

1 partnerships with the public and private sectors, provide the support
2 and information needed by parents to meet the responsibilities set
3 forth in this section.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 74.09 RCW
5 to read as follows:

6 (1) The department, in collaboration with the department of health,
7 health carriers, local public health jurisdictions, children's health
8 care providers including pediatricians, family practitioners, and
9 pediatric subspecialists, parents, and other purchasers, shall identify
10 explicit performance measures that indicate that a child has an
11 established and effective medical home, such as:

- 12 (a) Childhood immunization rates;
- 13 (b) Well child care utilization rates, including the use of
14 validated, structured developmental assessment tools that include
15 behavioral and oral health screening;
- 16 (c) Care management for children with chronic illnesses;
- 17 (d) Emergency room utilization; and
- 18 (e) Preventive oral health service utilization.

19 Performance measures and targets for each performance measure must
20 be reported to the appropriate committees of the senate and house of
21 representatives by December 1, 2007.

22 (2) Beginning in calendar year 2009, targeted provider rate
23 increases shall be linked to quality improvement measures established
24 under this section. The department, in conjunction with those groups
25 identified in subsection (1) of this section, shall develop parameters
26 for determining criteria for increased payment or other incentives for
27 those practices and health plans that incorporate evidence-based
28 practice and improve and achieve sustained improvement with respect to
29 the measures in both fee for service and managed care. (3) The
30 department shall provide an annual report to the governor and the
31 legislature related to provider performance on these measures,
32 beginning in September 2010 and annually thereafter.

33 NEW SECTION. **Sec. 5.** A new section is added to chapter 28A.210
34 RCW to read as follows:

35 It is the goal of Washington state to ensure that:

1 (1) By 2010, all K-12 districts have school health advisory
2 committees that advise school administration and school board members
3 on policies, environmental changes, and programs needed to support
4 healthy food choice and physical activity and childhood fitness.
5 Districts shall include school nurses or other school personnel as
6 advisory committee members.

7 (2) By 2010, only healthy food and beverages provided by schools
8 during school hours or for school-sponsored activities shall be
9 available on school campuses. Minimum standards for available food
10 items, except food served as part of a United States department of
11 agriculture meal program, include:

12 (a) Not more than thirty-five percent of its total calories from
13 fat;

14 (b) Not more than ten percent of its total calories from saturated
15 fat; and

16 (c) Not more than thirty-five percent of its total weight or
17 fifteen grams sugar per food item composed of sugar, including
18 naturally occurring and added sugar.

19 (3) By 2010, all students in grades one through eight should have
20 at least thirty minutes of quality physical education per school day.

21 (4) By 2010, all student health and fitness instruction shall be
22 conducted by appropriately certified instructors.

23 (5) By 2010, any district waiver or exemption policy from physical
24 education requirements for high school students should be based upon
25 meeting both health and fitness curricula concepts as well as
26 alternative means of engaging in physical activity, but should
27 acknowledge students' interest in pursuing their academic interests.

28 NEW SECTION. **Sec. 6.** (1) There is hereby established a select
29 interim legislative task force on comprehensive school health reform.
30 The task force shall consist of two members of each caucus of the
31 senate, and two members of each caucus of the house of representatives.
32 The task force shall review and make recommendations on policies,
33 environmental changes, and programs needed to support healthy schools,
34 including but not limited to food choice, physical activity, and
35 childhood fitness. The task force shall also review the delivery of
36 health care services in the schools by school personnel providing

1 health services. The task force may establish technical advisory
2 committees related to nutrition, fitness, and child health.

3 (2) The task force shall submit its findings and recommendations to
4 the appropriate committees of the senate and house of representatives
5 by October 1, 2008.

6 NEW SECTION. **Sec. 7.** A new section is added to chapter 48.43 RCW
7 to read as follows:

8 When the department of social and health services has determined
9 that it is cost-effective to enroll a child participating in a medical
10 assistance program under chapter 74.09 RCW in an employer-sponsored
11 health plan, the carrier shall permit the enrollment of the participant
12 who is otherwise eligible for coverage in the health plan without
13 regard to any open enrollment restrictions. The request for special
14 enrollment shall be made by the department or participant within sixty
15 days of the department's determination that the enrollment would be
16 cost-effective.

17 NEW SECTION. **Sec. 8.** The following acts or parts of acts are each
18 repealed:

19 (1) RCW 74.09.405 (Children's health program--Purpose) and 1990 c
20 296 s 1;

21 (2) RCW 74.09.415 (Children's health program established) and 2005
22 c 279 s 2, 2002 c 366 s 2, 1998 c 245 s 144, & 1990 c 296 s 2;

23 (3) RCW 74.09.425 (Children's health care accessibility--Community
24 action) and 1990 c 296 s 4;

25 (4) RCW 74.09.435 (Children's health program--Biennial evaluation)
26 and 1990 c 296 s 5; and

27 (5) RCW 74.09.450 (Children's health insurance program--Intent--
28 Department duties) and 1999 c 370 s 1.

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