

SENATE BILL REPORT

SB 5929

As Reported by Senate Committee On:
Ways & Means, April 15, 2011

Title: An act relating to enrollment in state purchased medical programs by children ineligible for federally financed care.

Brief Description: Concerning enrollment in state purchased medical programs by children ineligible for federally financed care. **[Revised for 1st Substitute:** Concerning enrollment in state purchased medical programs by children.]

Sponsors: Senators Keiser and Becker.

Brief History:

Committee Activity: Ways & Means: 4/13/11, 4/14/11, 4/15/11 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5929 be substituted therefor, and the substitute bill do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner, Baxter, Brown, Fraser, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Kastama, Keiser, Kohl-Welles, Pflug, Pridemore, Regala, Rockefeller, Schoesler and Tom.

Staff: Tim Yowell (786-7435)

Background: The state's Apple Health for Kids program provides medical and dental coverage for children under age 19 whose family incomes are below 300 percent of the federal poverty level. In 2011 300 percent of poverty is \$44,000 per year for a family of two, and \$67,000 per year for a family of four. The program is a statutory entitlement, which means that children are enrolled in and covered by the program regardless of whether sufficient funds have been appropriated to pay for the costs of their care.

An average of 527,000 children per month will be covered by Apple Health for Kids this year, at a total cost of \$1.0 billion (\$0.4 billion GF-S) with financing from three streams. The joint state-federal Medicaid program provides coverage for children with family incomes at or below 133 percent of poverty. The joint state-federal State Children's Health Insurance Program (SCHIP) provides coverage for children with family incomes above 133 percent and

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at or below 300 percent of poverty. The state-funded Children's Health Program (CHP) provides coverage for children with family incomes at or below 300 percent of poverty who are not eligible for Medicaid or SCHIP due to their immigration status. Most children in the CHP program component have family incomes below the poverty level.

Families with incomes greater than 200 percent of poverty pay premiums to cover part of the cost of their Apple Health coverage. Monthly premiums are \$20 per child for family incomes up to 250 percent of poverty, and \$30 for incomes up to 300 percent of poverty. A family's total premium obligations are limited to two children per month.

Children with family incomes over 300 percent of poverty may purchase Apple Health coverage without the state subsidy.

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

Summary of Bill (Recommended Substitute): Premiums may be charged for families with incomes below 200 percent of the federal poverty level. Premiums must not exceed levels specified in Title XIX and Title XXI of the federal social security act.

For a child who is not eligible for the federal Medicaid or SCHIP programs to be covered by Apple Health for Children, families with incomes greater than 200 percent of poverty must pay a premium equal to the estimated cost of the child's coverage. The premium is equal to the average per capita cost of coverage under the state funded CHP component of the program.

Financial sponsors, including nonprofit and charitable organizations, may pay premiums on behalf of children who are required to pay premiums. Sponsors must arrange their sponsorships with parents and provide the sponsorships through a mechanism acceptable to the Department of Social and Health Services (DSHS).

Enrollment in the CHP component of the program is limited to amounts appropriated for the program. DSHS is to freeze admissions and establish a waiting list if enrollment is exceeding appropriated levels.

Appropriation: None.

Fiscal Note: Requested on April 11, 2011.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: CON: All children are vulnerable and should have the right to health care. The Legislature made similar changes to the program in 2003 and created about \$3 million of additional administrative costs. The expected savings will be eaten up by increased administrative costs and reduced federal performance bonuses. Measles and mumps don't discriminate based on citizenship. Sick children can't learn, and every child benefits if the one sitting beside them is healthy. Premium increases will present

an immediate barrier to health care for many low-income families who are struggling to get by. Higher premiums will cause families to forego primary care and seek more expensive emergency room care instead.

Persons Testifying: CON: Jan Estroff, Children's Alliance; Toby Guerin, OneAmerica; Sofia Aragon, Washington State Nurses Association; Antonio Flores; Hun Priest; John-Paul Chaisson-Cardenas, Washington Community Action Network; Michael Semanik; Sharon Ness, United Food and Commercial Workers; Rober Kanamar.