
ENGROSSED HOUSE BILL 2003

State of Washington 62nd Legislature 2011 1st Special Session

By Representatives Pettigrew, Hunter, Ryu, and Kenney

Read first time 02/25/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to premium payments for children's health coverage
2 for children in families with income greater than two hundred percent
3 of the federal poverty level who are not eligible for the federal
4 children's health insurance program; amending RCW 74.09.470 and
5 74.09.470; providing an effective date; providing contingent effective
6 dates; and declaring an emergency.

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

8 **Sec. 1.** RCW 74.09.470 and 2009 c 463 s 2 are each amended to read
9 as follows:

10 (1) Consistent with the goals established in RCW 74.09.402, through
11 the apple health for kids program authorized in this section, the
12 department shall provide affordable health care coverage to children
13 under the age of nineteen who reside in Washington state and whose
14 family income at the time of enrollment is not greater than two hundred
15 fifty percent of the federal poverty level as adjusted for family size
16 and determined annually by the federal department of health and human
17 services, and effective January 1, 2009, and only to the extent that
18 funds are specifically appropriated therefor, to children whose family
19 income is not greater than three hundred percent of the federal poverty

1 level. In administering the program, the department shall take such
2 actions as may be necessary to ensure the receipt of federal financial
3 participation under the medical assistance program, as codified at
4 Title XIX of the federal social security act, the ((state)) children's
5 health insurance program, as codified at Title XXI of the federal
6 social security act, and any other federal funding sources that are now
7 available or may become available in the future. The department and
8 the caseload forecast council shall estimate the anticipated caseload
9 and costs of the program established in this section.

10 (2) The department shall accept applications for enrollment for
11 children's health care coverage; establish appropriate minimum-
12 enrollment periods, as may be necessary; and determine eligibility
13 based on current family income. The department shall make eligibility
14 determinations within the time frames for establishing eligibility for
15 children on medical assistance, as defined by RCW 74.09.510. The
16 application and annual renewal processes shall be designed to minimize
17 administrative barriers for applicants and enrolled clients, and to
18 minimize gaps in eligibility for families who are eligible for
19 coverage. If a change in family income results in a change in the
20 source of funding for coverage, the department shall transfer the
21 family members to the appropriate source of funding and notify the
22 family with respect to any change in premium obligation, without a
23 break in eligibility. The department shall use the same eligibility
24 redetermination and appeals procedures as those provided for children
25 on medical assistance programs. The department shall modify its
26 eligibility renewal procedures to lower the percentage of children
27 failing to annually renew. The department shall manage its outreach,
28 application, and renewal procedures with the goals of: (a) Achieving
29 year by year improvements in enrollment, enrollment rates, renewals,
30 and renewal rates; (b) maximizing the use of existing program databases
31 to obtain information related to earned and unearned income for
32 purposes of eligibility determination and renewals, including, but not
33 limited to, the basic food program, the child care subsidy program,
34 federal social security administration programs, and the employment
35 security department wage database; (c) streamlining renewal processes
36 to rely primarily upon data matches, online submissions, and telephone
37 interviews; and (d) implementing any other eligibility determination
38 and renewal processes to allow the state to receive an enhanced federal

1 matching rate and additional federal outreach funding available through
2 the federal children's health insurance program reauthorization act of
3 2009 by January 2010. The department shall advise the governor and the
4 legislature regarding the status of these efforts by September 30,
5 2009. The information provided should include the status of the
6 department's efforts, the anticipated impact of those efforts on
7 enrollment, and the costs associated with that enrollment.

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

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

31 (5)(a) To reflect appropriate parental responsibility, the
32 department shall develop and implement a schedule of premiums for
33 children's health care coverage due to the department from families
34 with income greater than two hundred percent of the federal poverty
35 level. For families with income greater than two hundred fifty percent
36 of the federal poverty level, the premiums shall be established in
37 consultation with the senate majority and minority leaders and the
38 speaker and minority leader of the house of representatives. For

1 children eligible for coverage under the federally funded children's
2 health insurance program, Title XXI of the federal social security act,
3 premiums shall be set at a reasonable level that does not pose a
4 barrier to enrollment. The amount of the premium shall be based upon
5 family income and shall not exceed the premium limitations in Title XXI
6 of the federal social security act. For children who are not eligible
7 for coverage under the federally funded children's health insurance
8 program, premiums shall be set every two years in an amount no greater
9 than the average state-only share of the per capita cost of coverage in
10 the state-funded children's health program.

11 (b) Premiums shall not be imposed on children in households at or
12 below two hundred percent of the federal poverty level as articulated
13 in RCW 74.09.055.

14 ((b)) (c) Beginning no later than January 1, 2010, the department
15 shall offer families whose income is greater than three hundred percent
16 of the federal poverty level the opportunity to purchase health care
17 coverage for their children through the programs administered under
18 this section without an explicit premium subsidy from the state. The
19 design of the health benefit package offered to these children should
20 provide a benefit package substantially similar to that offered in the
21 apple health for kids program, and may differ with respect to cost-
22 sharing, and other appropriate elements from that provided to children
23 under subsection (3) of this section including, but not limited to,
24 application of preexisting conditions, waiting periods, and other
25 design changes needed to offer affordable coverage. The amount paid by
26 the family shall be in an amount equal to the rate paid by the state to
27 the managed health care system for coverage of the child, including any
28 associated and administrative costs to the state of providing coverage
29 for the child. Any pooling of the program enrollees that results in
30 state fiscal impact must be identified and brought to the legislature
31 for consideration.

32 (6) The department shall undertake and continue a proactive,
33 targeted outreach and education effort with the goal of enrolling
34 children in health coverage and improving the health literacy of youth
35 and parents. The department shall collaborate with the department of
36 health, local public health jurisdictions, the office of the
37 superintendent of public instruction, the department of early learning,
38 health educators, health care providers, health carriers, community-

1 based organizations, and parents in the design and development of this
2 effort. The outreach and education effort shall include the following
3 components:

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

6 (b) Assistance with completing applications, and community-based
7 outreach efforts to help people apply for coverage. Community-based
8 outreach efforts should be targeted to the populations least likely to
9 be covered;

10 (c) Use of existing systems, such as enrollment information from
11 the free and reduced-price lunch program, the department of early
12 learning child care subsidy program, the department of health's women,
13 infants, and children program, and the early childhood education and
14 assistance program, to identify children who may be eligible but not
15 enrolled in coverage;

16 (d) Contracting with community-based organizations and government
17 entities to support community-based outreach efforts to help families
18 apply for coverage. These efforts should be targeted to the
19 populations least likely to be covered. The department shall provide
20 informational materials for use by government entities and community-
21 based organizations in their outreach activities, and should identify
22 any available federal matching funds to support these efforts;

23 (e) Development and dissemination of materials to engage and inform
24 parents and families statewide on issues such as: The benefits of
25 health insurance coverage; the appropriate use of health services,
26 including primary care provided by health care practitioners licensed
27 under chapters 18.71, 18.57, 18.36A, and 18.79 RCW, and emergency
28 services; the value of a medical home, well-child services and
29 immunization, and other preventive health services with linkages to
30 department of health child profile efforts; identifying and managing
31 chronic conditions such as asthma and diabetes; and the value of good
32 nutrition and physical activity;

33 (f) An evaluation of the outreach and education efforts, based upon
34 clear, cost-effective outcome measures that are included in contracts
35 with entities that undertake components of the outreach and education
36 effort;

37 (g) An implementation plan to develop online application capability
38 that is integrated with the department's automated client eligibility

1 system, and to develop data linkages with the office of the
2 superintendent of public instruction for free and reduced-price lunch
3 enrollment information and the department of early learning for child
4 care subsidy program enrollment information.

5 (7) The department shall take action to increase the number of
6 primary care physicians providing dental disease preventive services
7 including oral health screenings, risk assessment, family education,
8 the application of fluoride varnish, and referral to a dentist as
9 needed.

10 (8) The department shall monitor the rates of substitution between
11 private-sector health care coverage and the coverage provided under
12 this section and shall report to appropriate committees of the
13 legislature by December 2010.

14 **Sec. 2.** RCW 74.09.470 and 2011 1st sp.s. c . . . (2E2SHB 1738) s
15 21 are each amended to read as follows:

16 (1) Consistent with the goals established in RCW 74.09.402, through
17 the apple health for kids program authorized in this section, the
18 authority shall provide affordable health care coverage to children
19 under the age of nineteen who reside in Washington state and whose
20 family income at the time of enrollment is not greater than two hundred
21 fifty percent of the federal poverty level as adjusted for family size
22 and determined annually by the federal department of health and human
23 services, and effective January 1, 2009, and only to the extent that
24 funds are specifically appropriated therefor, to children whose family
25 income is not greater than three hundred percent of the federal poverty
26 level. In administering the program, the authority shall take such
27 actions as may be necessary to ensure the receipt of federal financial
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29 Title XIX of the federal social security act, the state children's
30 health insurance program, as codified at Title XXI of the federal
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33 caseload forecast council shall estimate the anticipated caseload and
34 costs of the program established in this section.

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9 members to the appropriate source of funding and notify the family with
10 respect to any change in premium obligation, without a break in
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12 redetermination and appeals procedures as those provided for children
13 on medical assistance programs. The authority shall modify its
14 eligibility renewal procedures to lower the percentage of children
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17 year by year improvements in enrollment, enrollment rates, renewals,
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36 than the average state-only share of the per capita cost of coverage in
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2 below two hundred percent of the federal poverty level as articulated
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13 under subsection (3) of this section including, but not limited to,
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17 the managed health care system for coverage of the child, including any
18 associated and administrative costs to the state of providing coverage
19 for the child. Any pooling of the program enrollees that results in
20 state fiscal impact must be identified and brought to the legislature
21 for consideration.

22 (6) The authority shall undertake and continue a proactive,
23 targeted outreach and education effort with the goal of enrolling
24 children in health coverage and improving the health literacy of youth
25 and parents. The authority shall collaborate with the department of
26 social and health services, department of health, local public health
27 jurisdictions, the office of the superintendent of public instruction,
28 the department of early learning, health educators, health care
29 providers, health carriers, community- based organizations, and parents
30 in the design and development of this effort. The outreach and
31 education effort shall include the following components:

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

34 (b) Assistance with completing applications, and community-based
35 outreach efforts to help people apply for coverage. Community-based
36 outreach efforts should be targeted to the populations least likely to
37 be covered;

1 (c) Use of existing systems, such as enrollment information from
2 the free and reduced-price lunch program, the department of early
3 learning child care subsidy program, the department of health's women,
4 infants, and children program, and the early childhood education and
5 assistance program, to identify children who may be eligible but not
6 enrolled in coverage;

7 (d) Contracting with community-based organizations and government
8 entities to support community-based outreach efforts to help families
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17 including primary care provided by health care practitioners licensed
18 under chapters 18.71, 18.57, 18.36A, and 18.79 RCW, and emergency
19 services; the value of a medical home, well-child services and
20 immunization, and other preventive health services with linkages to
21 department of health child profile efforts; identifying and managing
22 chronic conditions such as asthma and diabetes; and the value of good
23 nutrition and physical activity;

24 (f) An evaluation of the outreach and education efforts, based upon
25 clear, cost-effective outcome measures that are included in contracts
26 with entities that undertake components of the outreach and education
27 effort;

28 (g) An implementation plan to develop online application capability
29 that is integrated with the automated client eligibility system, and to
30 develop data linkages with the office of the superintendent of public
31 instruction for free and reduced-price lunch enrollment information and
32 the department of early learning for child care subsidy program
33 enrollment information.

34 (7) The authority shall take action to increase the number of
35 primary care physicians providing dental disease preventive services
36 including oral health screenings, risk assessment, family education,
37 the application of fluoride varnish, and referral to a dentist as
38 needed.

1 (8) The department shall monitor the rates of substitution between
2 private-sector health care coverage and the coverage provided under
3 this section.

4 NEW SECTION. **Sec. 3.** (1) Section 1 of this act takes effect if
5 section 21, chapter . . . (2E2SHB 1738), Laws of 2011 1st sp. sess. is
6 not enacted into law.

7 (2) Section 2 of this act takes effect if section 21, chapter . . .
8 (2E2SHB 1738), Laws of 2011 1st sp. sess. is enacted into law.

9 NEW SECTION. **Sec. 4.** Subject to section 3 of this act, this act
10 is necessary for the immediate preservation of the public peace,
11 health, or safety, or support of the state government and its existing
12 public institutions, and takes effect April 1, 2011.

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