

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 2003**

62nd Legislature  
2011 1st Special Session

Passed by the House May 24, 2011  
Yeas 96 Nays 0

---

**Speaker of the House of Representatives**

Passed by the Senate May 25, 2011  
Yeas 46 Nays 0

---

**President of the Senate**

Approved

---

**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2003** as passed by the House of Representatives and the Senate on the dates hereon set forth.

---

**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

---

ENGROSSED HOUSE BILL 2003

---

Passed Legislature - 2011 1st Special Session

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  
28 participation under the medical assistance program, as codified at  
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  
31 social security act, and any other federal funding sources that are now  
32 available or may become available in the future. The authority and the  
33 caseload forecast council shall estimate the anticipated caseload and  
34 costs of the program established in this section.

35 (2) The authority shall accept applications for enrollment for  
36 children's health care coverage; establish appropriate minimum-  
37 enrollment periods, as may be necessary; and determine eligibility

1 based on current family income. The authority shall make eligibility  
2 determinations within the time frames for establishing eligibility for  
3 children on medical assistance, as defined by RCW 74.09.510. The  
4 application and annual renewal processes shall be designed to minimize  
5 administrative barriers for applicants and enrolled clients, and to  
6 minimize gaps in eligibility for families who are eligible for  
7 coverage. If a change in family income results in a change in the  
8 source of funding for coverage, the authority shall transfer the family  
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  
11 eligibility. The authority shall use the same eligibility  
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  
15 failing to annually renew. The authority shall manage its outreach,  
16 application, and renewal procedures with the goals of: (a) Achieving  
17 year by year improvements in enrollment, enrollment rates, renewals,  
18 and renewal rates; (b) maximizing the use of existing program databases  
19 to obtain information related to earned and unearned income for  
20 purposes of eligibility determination and renewals, including, but not  
21 limited to, the basic food program, the child care subsidy program,  
22 federal social security administration programs, and the employment  
23 security department wage database; (c) streamlining renewal processes  
24 to rely primarily upon data matches, online submissions, and telephone  
25 interviews; and (d) implementing any other eligibility determination  
26 and renewal processes to allow the state to receive an enhanced federal  
27 matching rate and additional federal outreach funding available through  
28 the federal children's health insurance program reauthorization act of  
29 2009 by January 2010. The department shall advise the governor and the  
30 legislature regarding the status of these efforts by September 30,  
31 2009. The information provided should include the status of the  
32 department's efforts, the anticipated impact of those efforts on  
33 enrollment, and the costs associated with that enrollment.

34 (3) To ensure continuity of care and ease of understanding for  
35 families and health care providers, and to maximize the efficiency of  
36 the program, the amount, scope, and duration of health care services  
37 provided to children under this section shall be the same as that

1 provided to children under medical assistance, as defined in RCW  
2 74.09.520.

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

20 (5)(a) To reflect appropriate parental responsibility, the  
21 authority shall develop and implement a schedule of premiums for  
22 children's health care coverage due to the authority from families with  
23 income greater than two hundred percent of the federal poverty level.  
24 For families with income greater than two hundred fifty percent of the  
25 federal poverty level, the premiums shall be established in  
26 consultation with the senate majority and minority leaders and the  
27 speaker and minority leader of the house of representatives. For  
28 children eligible for coverage under the federally funded children's  
29 health insurance program, Title XXI of the federal social security act,  
30 premiums shall be set at a reasonable level that does not pose a  
31 barrier to enrollment. The amount of the premium shall be based upon  
32 family income and shall not exceed the premium limitations in Title XXI  
33 of the federal social security act. For children who are not eligible  
34 for coverage under the federally funded children's health insurance  
35 program, premiums shall be set every two years in an amount no greater  
36 than the average state-only share of the per capita cost of coverage in  
37 the state-funded children's health program.

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

4       ~~((b))~~ **(c)** Beginning no later than January 1, 2010, the authority  
5 shall offer families whose income is greater than three hundred percent  
6 of the federal poverty level the opportunity to purchase health care  
7 coverage for their children through the programs administered under  
8 this section without an explicit premium subsidy from the state. The  
9 design of the health benefit package offered to these children should  
10 provide a benefit package substantially similar to that offered in the  
11 apple health for kids program, and may differ with respect to cost-  
12 sharing, and other appropriate elements from that provided to children  
13 under subsection (3) of this section including, but not limited to,  
14 application of preexisting conditions, waiting periods, and other  
15 design changes needed to offer affordable coverage. The amount paid by  
16 the family shall be in an amount equal to the rate paid by the state to  
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  
9 apply for coverage. These efforts should be targeted to the  
10 populations least likely to be covered. The authority shall provide  
11 informational materials for use by government entities and community-  
12 based organizations in their outreach activities, and should identify  
13 any available federal matching funds to support these efforts;

14 (e) Development and dissemination of materials to engage and inform  
15 parents and families statewide on issues such as: The benefits of  
16 health insurance coverage; the appropriate use of health services,  
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.

--- END ---