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## Appropriations Committee

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### HB 2660

**Brief Description:** Continuing access to medicaid services.

**Sponsors:** Representatives Stonier, Harris, Orwall, Macri, Clibborn, Santos, Riccelli, Gregerson, Reeves, Dolan, Valdez, Kloba, Graves, Appleton, Jinkins, Stambaugh, Bergquist, Kirby, Chapman, Wylie, McBride, Doglio, Pollet, Sells, Slatter, Kilduff, DeBolt, Frame and Stanford.

#### Brief Summary of Bill

- Increases the mandatory health care coverage requirement for children from 250 percent to 312 percent of federal poverty level.
- Requires the state to provide health care coverage for pregnant women who would otherwise be eligible for the Medicaid program except for the citizenship requirements.
- Updates several references to income thresholds to reflect the equivalent modified adjusted gross income standards currently in place.
- Updates several references to the Department of Early Learning to reflect the creation of the new Department of Children Youth and Families.

**Hearing Date:** 1/24/18

**Staff:** Catrina Lucero (786-7192).

#### **Background:**

##### Children's Health Insurance Program (CHIP).

The CHIP is a joint state-federal partnership that provides health insurance to low-income children with incomes too high to qualify for Medicaid. The program was created by the Balanced Budget Act of 1997 and enacted Title XXI of the Social Security Act.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The federal government provides an Enhanced Federal Medical Assistance Percentage (eFMAP) for the CHIP. The Affordable Care Act (ACA) temporarily increased the eFMAP by 23 percentage points through September 30, 2019. The current rate is 88 percent. Prior to the ACA the state's eFMAP was 65 percent.

Washington's CHIP provides Medicaid equivalent coverage for children between 210 percent and 312 percent of the Federal Poverty Level (FPL). Children below 210 percent of FPL receive health care coverage through the State's Medicaid program. The CHIP also funds:

- prenatal coverage of pregnant women ineligible for Medicaid due to citizenship status;
- coverage of lawfully present, non-citizen children up to 312 percent of FPL;
- coverage of lawfully present, non-citizen pregnant women up to 193 percent of FPL;
- enhanced match for Medicaid eligible children between 133 percent - 209 percent FPL;
- the Washington Poison Center; and
- the WithinReach call center.

Families with children 210-312 percent of the FPL enrolled in the CHIP pay premiums of \$20 or \$30 per month per child with a maximum payment of \$40 or \$60 per household per month depending on household income. State law requires health care coverage for children up to 250 percent of the FPL. Coverage of children 250-300 percent of the FPL is available to the extent that funds are specifically appropriated for this purpose.

#### CHIP Reauthorization.

The CHIP was originally created as a 10-year program with program continuation requiring a reauthorization bill. Congress has reauthorized the program several times since. The most recent reauthorization, on January 22, 2018, extended the program for an additional six years through September 30, 2023.

#### Modified Adjusted Gross Income (MAGI).

Prior to the ACA, state methodologies for determining Medicaid and CHIP income eligibility varied, primarily due to difference in the application of income disregards. The MAGI is a methodology used to determine financial eligibility for the CHIP and nonelderly, nondisabled Medicaid eligibility groups. The ACA required the state to convert from its original net income eligibility thresholds to equivalent MAGI thresholds based on average income disregards. For example, if the original net income standard for a given eligibility category was 200 percent of the FPL and the average income disregard for individuals within that group is 10 percent of the FPL, then the converted standard would be 210 percent of the FPL.

#### **Summary of Bill:**

The mandatory health care coverage requirement for children is increased from 250 percent to 312 percent of the FPL. The state is also required to provide health care coverage for pregnant women who would otherwise be eligible for the Medicaid program except for the citizenship requirements.

Several references to income thresholds are updated to reflect the equivalent MAGI standards currently in place.

Several reference to the Department of Early Learning are updated to reflect the creation of the new Department of Children Youth and Families.

An emergency clause is added.

**Appropriation:** None.

**Fiscal Note:** Requested on January 10, 2018.

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