
ENGROSSED SUBSTITUTE HOUSE BILL 2128

State of Washington 61st Legislature 2009 Regular Session

By House Health Care & Wellness (originally sponsored by
Representatives Seaquist and Simpson)

READ FIRST TIME 02/23/09.

1 AN ACT Relating to meeting the goal of all children in Washington
2 state having health care coverage by 2010; amending RCW 74.09.470 and
3 74.09.480; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that substantial
6 progress has been made toward achieving the equally important goals set
7 in 2007 that all children in Washington state have health care coverage
8 by 2010 and that child health outcomes improve. The legislature also
9 finds that continued steps are necessary to reach the goals that all
10 children in Washington state shall have access to the health services
11 they need to be healthy and ready to learn and that key measures of
12 child health outcomes will show year by year improvement. The
13 legislature further finds that reaching these goals is integral to the
14 state's ability to weather the current economic crisis. The recent
15 reauthorization of the federal children's health insurance program
16 provides additional opportunities for the state to reach these goals.
17 In view of these important objectives, the legislature intends that the
18 apple health for kids program be managed actively across

1 administrations in the department of social and health services, and
2 across state and local agencies, with clear accountability for
3 achieving the intended program outcomes.

4 **Sec. 2.** RCW 74.09.470 and 2007 c 5 s 2 are each amended to read as
5 follows:

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

25 (2) The department shall accept applications for enrollment for
26 children's health care coverage; establish appropriate minimum-
27 enrollment periods, as may be necessary; and determine eligibility
28 based on current family income. The department shall make eligibility
29 determinations within the time frames for establishing eligibility for
30 children on medical assistance, as defined by RCW 74.09.510. The
31 application and annual renewal processes shall be designed to minimize
32 administrative barriers for applicants and enrolled clients, and to
33 minimize gaps in eligibility for families who are eligible for
34 coverage. If a change in family income results in a change in
35 (~~program-eligibility~~) the source of funding for coverage, the
36 department shall transfer the family members to the appropriate
37 (~~programs~~) source of funding and notify the family with respect to

1 any change in premium obligation, without a break in eligibility. The
2 department shall use the same eligibility redetermination and appeals
3 procedures as those provided for children on medical assistance
4 programs. The department shall modify its eligibility renewal
5 procedures to lower the percentage of children failing to annually
6 renew. (~~The department shall report to the appropriate committees of~~
7 ~~the legislature on its progress in this regard by December 2007.~~) The
8 department shall manage its outreach, application, and renewal
9 procedures with the goals of: (a) Achieving year by year improvements
10 in enrollment, enrollment rates, renewals, and renewal rates; (b)
11 maximizing the use of existing program databases to obtain information
12 related to earned and unearned income for purposes of eligibility
13 determination and renewals, including, but not limited to, the basic
14 food program, the child care subsidy program, federal social security
15 administration programs, and the employment security department wage
16 database; (c) streamlining renewal processes to rely primarily upon
17 data matches, online submissions, and telephone interviews; and (d)
18 implementing any other eligibility determination and renewal processes
19 to allow the state to receive an enhanced federal matching rate and
20 additional federal outreach funding available through the federal
21 children's health insurance program reauthorization act of 2009 by
22 January 2010. The department shall advise the governor and the
23 legislature regarding the status of these efforts by September 30,
24 2009. The information provided should include the status of the
25 department's efforts, the anticipated impact of those efforts on
26 enrollment, and the costs associated with that enrollment. Each child
27 enrolled in the apple health for kids program under this section will
28 receive an eligibility card that clearly identifies the bearer, by text
29 and logo, as a participant in the program. The card also must include
30 a statement that the goal of the apple health for kids program is to
31 provide health care coverage so that all children in Washington state
32 have the opportunity to succeed in school and live healthy lives.

33 (3) To ensure continuity of care and ease of understanding for
34 families and health care providers, and to maximize the efficiency of
35 the program, the amount, scope, and duration of health care services
36 provided to children under this section shall be the same as that
37 provided to children under medical assistance, as defined in RCW
38 74.09.520.

1 (4) The primary mechanism for purchasing health care coverage under
2 this section shall be through contracts with managed health care
3 systems as defined in RCW 74.09.522 (~~except when utilization patterns~~
4 ~~suggest that fee for service purchasing could produce equally effective~~
5 ~~and cost-efficient care~~). However, the department shall make every
6 effort within available resources to purchase health care coverage for
7 uninsured children whose families have access to dependent coverage
8 through an employer-sponsored health plan or another source when it is
9 cost-effective for the state to do so, and the purchase is consistent
10 with requirements of Title XIX and Title XXI of the federal social
11 security act. To the extent allowable under federal law, the
12 department shall require families to enroll in available employer-
13 sponsored coverage, as a condition of participating in the program
14 established under (~~chapter 5, Laws of 2007~~) this section, when it is
15 cost-effective for the state to do so. Families who enroll in
16 available employer-sponsored coverage under (~~chapter 5, Laws of 2007~~)
17 this section shall be accounted for separately in the annual report
18 required by RCW 74.09.053.

19 (5)(a) To reflect appropriate parental responsibility, the
20 department shall develop and implement a schedule of premiums for
21 children's health care coverage due to the department from families
22 with income greater than two hundred percent of the federal poverty
23 level. For families with income greater than two hundred fifty percent
24 of the federal poverty level, the premiums shall be established in
25 consultation with the senate majority and minority leaders and the
26 speaker and minority leader of the house of representatives. Premiums
27 shall be set at a reasonable level that does not pose a barrier to
28 enrollment. The amount of the premium shall be based upon family
29 income and shall not exceed the premium limitations in Title XXI of the
30 federal social security act. Premiums shall not be imposed on children
31 in households at or below two hundred percent of the federal poverty
32 level as articulated in RCW 74.09.055.

33 (b) Beginning no later than January 1, (~~2009~~) 2010, the
34 department shall offer families whose income is greater than three
35 hundred percent of the federal poverty level the opportunity to
36 purchase health care coverage for their children through the programs
37 administered under this section without ((a)) an explicit premium
38 subsidy from the state. The design of the health benefit package

1 offered to these children should provide adequate and appropriate
2 coverage, and may differ with respect to cost-sharing, covered
3 services, and other appropriate elements from that provided to children
4 under subsection (3) of this section only to the extent necessary to
5 offer an affordable benefit package for the affected families. The
6 amount paid by the family shall be in an amount equal to the rate paid
7 by the state to the managed health care system for coverage of the
8 child, including any associated and administrative costs to the state
9 of providing coverage for the child.

10 (i) The activities and operations of the children's health coverage
11 program under this subsection, including those of managed health care
12 systems to the extent of their participation in the program, are exempt
13 from the provisions of Title 48 RCW, except:

14 (A) The coverage is subject to RCW 48.21.200 and is excess to the
15 benefits payable under the terms of any insurance policy issued to or
16 on the behalf of an enrollee that provides payments toward medical
17 expenses without a determination of liability for the injury.

18 (B) Managed health care systems are subject to the provisions of
19 RCW 48.43.022, 48.43.500 through 48.43.535, 48.43.545, and 48.43.550.

20 (ii) The activities and operations of the children's health
21 coverage program under this subsection are subject to the provisions of
22 RCW 43.70.235, 70.02.045, 70.02.110, and 70.02.900.

23 (iii) Persons appointed or authorized to solicit applications for
24 enrollment in nonsubsidized state children's health coverage, including
25 employees of the department, must comply with chapter 48.17 RCW. For
26 purposes of this subsection, the term "solicit" does not include
27 distributing information and applications for nonsubsidized state
28 children's health coverage and responding to questions.

29 (iv) Amounts paid to a managed health care system by the department
30 for providing health care services pursuant to this subsection must
31 comply with RCW 48.14.0201.

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~~) 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) (~~A feasibility study and~~) An implementation plan to develop
38 online application capability that is integrated with the department's

1 automated client eligibility system, and to develop data linkages with
2 the office of (~~{the}~~) the superintendent of public instruction for
3 free and reduced-price lunch enrollment information and the department
4 of early learning for child care subsidy program enrollment
5 information. (~~The department shall submit a feasibility study on the~~
6 ~~implementation of the requirements in this subsection to the governor~~
7 ~~and legislature by July 2008.~~)

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

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

17 (9) To ensure planning and coordination of all aspects of the apple
18 health for kids program across all the involved agencies and with the
19 various stakeholders, and to facilitate the collection, reporting, and
20 analysis of the outcome data required by section 3 of this act, the
21 position of apple health executive is established and will report
22 directly to the secretary.

23 **Sec. 3.** RCW 74.09.480 and 2007 c 5 s 4 are each amended to read as
24 follows:

25 (1) The department, in collaboration with the department of health,
26 health carriers, local public health jurisdictions, children's health
27 care providers including pediatricians, family practitioners, and
28 pediatric subspecialists, community and migrant health centers,
29 parents, and other purchasers, shall (~~identify explicit performance~~
30 ~~measures that indicate that a child has an established and effective~~
31 ~~medical home, such as~~) establish a concise set of explicit performance
32 measures that can indicate whether children enrolled in the program are
33 receiving health care through an established and effective medical
34 home, and whether the overall health of enrolled children is improving.
35 Such indicators may include, but are not limited to:

36 (a) Childhood immunization rates;

1 (b) Well child care utilization rates, including the use of
2 validated, structured developmental assessment tools that include
3 behavioral and oral health screening;

4 (c) Care management for children with chronic illnesses;

5 (d) Emergency room utilization; (~~and~~)

6 (e) Visual acuity and eye health;

7 (f) Preventive oral health service utilization; and

8 (g) Children's mental health status. In defining these measures
9 the department shall be guided by the measures provided in RCW
10 71.36.025.

11 Performance measures and targets for each performance measure must
12 be (~~reported to the appropriate committees of the senate and house of~~
13 ~~representatives by December 1, 2007~~) established and monitored each
14 biennium, with a goal of achieving measurable, improved health outcomes
15 for the children of Washington state each biennium.

16 (2) Beginning in calendar year 2009, targeted provider rate
17 increases shall be linked to quality improvement measures established
18 under this section. The department, in conjunction with those groups
19 identified in subsection (1) of this section, shall develop parameters
20 for determining criteria for increased payment, alternative payment
21 methodologies, or other incentives for those practices and health plans
22 that incorporate evidence-based practice and improve and achieve
23 sustained improvement with respect to the measures (~~in both fee-for~~
24 ~~service and managed care~~).

25 (3) The department shall provide (~~an annual~~) a report to the
26 governor and the legislature related to provider performance on these
27 measures, beginning in September 2010 for 2007 through 2009 and
28 (~~annually~~) biennially thereafter. The department shall advise the
29 legislature as to its progress towards developing this biennial
30 reporting system by September 30, 2009.

31 NEW SECTION. Sec. 4. This act may be known and cited as the apple
32 health for kids act.

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