
HOUSE BILL 2003

State of Washington 62nd Legislature 2011 Regular 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; providing
5 an effective date; and declaring an emergency.

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

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

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

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

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

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

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

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

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

1 health insurance program, Title XXI of the federal social security act,
2 premiums shall be set at a reasonable level that does not pose a
3 barrier to enrollment. The amount of the premium shall be based upon
4 family income and shall not exceed the premium limitations in Title XXI
5 of the federal social security act. For children who are not eligible
6 for coverage under the federally funded children's health insurance
7 program, premiums shall be in an amount equal to the per capita cost of
8 coverage under the state-funded children's health program. A financial
9 sponsor including, but not limited to, a charitable or faith-based
10 organization may pay the premium, rate, or any other amount on behalf
11 of a child enrolled in coverage under this subsection, by arrangement
12 with the child's parent and through a mechanism acceptable to the
13 department.

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

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

35 (6) The department shall undertake and continue a proactive,
36 targeted outreach and education effort with the goal of enrolling
37 children in health coverage and improving the health literacy of youth
38 and parents. The department shall collaborate with the department of

1 health, local public health jurisdictions, the office of the
2 superintendent of public instruction, the department of early learning,
3 health educators, health care providers, health carriers, community-
4 based organizations, and parents in the design and development of this
5 effort. The outreach and education effort shall include the following
6 components:

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

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

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

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

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

36 (f) An evaluation of the outreach and education efforts, based upon
37 clear, cost-effective outcome measures that are included in contracts

1 with entities that undertake components of the outreach and education
2 effort;

3 (g) An implementation plan to develop online application capability
4 that is integrated with the department's automated client eligibility
5 system, and to develop data linkages with the office of the
6 superintendent of public instruction for free and reduced-price lunch
7 enrollment information and the department of early learning for child
8 care subsidy program enrollment information.

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

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

18 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 April 1, 2011.

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