
SECOND SUBSTITUTE SENATE BILL 5093

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Marr, Keiser, Franklin, Shin, Fairley, Hobbs, Weinstein, Kauffman, Pridemore, Oemig, Eide, Brown, Tom, Kohl-Welles, Regala, McAuliffe, Spanel, Rockefeller and Rasmussen; by request of Governor Gregoire)

READ FIRST TIME 02/14/07.

1 AN ACT Relating to health care services for children; amending RCW
2 74.09.402; adding new sections to chapter 74.09 RCW; adding a new
3 section to chapter 28A.210 RCW; adding a new section to chapter 48.43
4 RCW; creating a new section; and repealing RCW 74.09.405, 74.09.415,
5 74.09.425, 74.09.435, and 74.09.450.

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

7 **Sec. 1.** RCW 74.09.402 and 2005 c 279 s 1 are each amended to read
8 as follows:

9 (1) The legislature finds that:

10 (a) Improving the health of children in Washington state is an
11 investment in a productive and successful next generation. The health
12 of ((the)) children ((of Washington state)) is critical to their
13 success in school and throughout their lives((-));

14 (b) Healthy children are ready to learn. In order to provide
15 students with the opportunity to become responsible citizens, to
16 contribute to their own economic well-being and to that of their
17 families and communities, and to enjoy productive and satisfying lives,
18 the state recognizes the importance that access to appropriate health

1 services and improved health brings to the children of Washington
2 state. In addition, fully immunized children are themselves protected,
3 and in turn protect others, from contracting communicable diseases;

4 (c) Children with health insurance coverage have better health
5 outcomes than those who lack coverage. Children without health
6 insurance coverage are more likely to be in poor health and more likely
7 to delay receiving, or go without, needed health care services;

8 ~~((b) Access to preventive and well child health services for~~
9 ~~children is a cost effective investment of both public and private~~
10 ~~dollars that improves the health of children and of our communities at~~
11 ~~large; and~~

12 (e)) (d) Health care coverage for children in Washington state is
13 the product of critical efforts in both the private and public sectors
14 to help children succeed. Private health insurance coverage is
15 complemented by public programs that meet needs of low-income children
16 whose parents are not offered health insurance coverage through their
17 employer or who cannot otherwise afford the costs of coverage. In
18 ~~((2004))~~ 2006, thirty-five percent of children in Washington state had
19 some form of public health coverage. Washington state is making
20 progress in its efforts to increase the number of children with health
21 care coverage. Yet, even with ~~((the))~~ these efforts of both ~~((the))~~
22 private and public sectors, ~~((too))~~ many children in Washington state
23 continue to lack health insurance coverage. ~~((In 2004, almost one~~
24 ~~hundred))~~ In 2006, over seventy thousand children were uninsured.
25 Almost two-thirds of these children are ((low income)) in families
26 whose income is under two hundred fifty percent of the federal poverty
27 level; and

28 (e) Improved health outcomes for the children of Washington state
29 are the expected result of improved access to health care coverage.
30 Linking children with a medical home that provides preventive and well
31 child health services and referral to needed specialty services,
32 linking children with needed behavioral health and dental services,
33 more effectively managing childhood diseases, improving nutrition, and
34 increasing physical activity are key to improving children's health.
35 Care should be provided in appropriate settings by efficient providers,
36 consistent with high quality care and at an appropriate stage, soon
37 enough to avert the need for overly expensive treatment.

38 (2) It is therefore the intent of the legislature that:

1 (a) All children in the state of Washington have health care
2 coverage by 2010. This should be accomplished by building upon and
3 strengthening the successes of private health insurance coverage and
4 publicly supported children's health insurance programs in Washington
5 state. Access to coverage should be streamlined and efficient, with
6 reductions in unnecessary administrative costs and mechanisms to
7 expeditiously link children with a medical home;

8 (b) The state, in collaboration with parents, schools, communities,
9 health plans, and providers, take steps to improve health outcomes for
10 the children of Washington state by linking children with a medical
11 home, identifying health improvement goals for children, and linking
12 innovative purchasing strategies to those goals.

13 **NEW SECTION. Sec. 2.** A new section is added to chapter 74.09 RCW
14 to read as follows:

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

34 (2) The department shall accept applications for enrollment for
35 children's health care coverage; establish appropriate minimum-
36 enrollment periods, as may be necessary; and determine eligibility
37 based on current family income. The department shall make eligibility

1 determinations within the time frames for establishing eligibility for
2 children on medical assistance, as defined by RCW 74.09.510. The
3 application and annual renewal processes shall be designed to minimize
4 administrative barriers for applicants and enrolled clients, and to
5 minimize gaps in eligibility for families who are eligible for
6 coverage. If a change in family income results in a change in program
7 eligibility, the department shall transfer the family members to the
8 appropriate programs and notify the family with respect to any change
9 in premium obligation, without a break in eligibility. The department
10 shall use the same eligibility redetermination and appeals procedures
11 as those provided for children on medical assistance programs. The
12 department shall modify its eligibility renewal procedures to lower the
13 percentage of children failing to annually renew. The department shall
14 report to the appropriate committees of the legislature on its progress
15 in this regard by December 2007.

16 (3) To ensure continuity of care and ease of understanding for
17 families and health care providers, and to maximize the efficiency of
18 the program, the amount, scope, and duration of health care services
19 provided to children under this section shall be the same as that
20 provided to children under medical assistance, as defined in RCW
21 74.09.520.

22 (4) The primary mechanism for purchasing health care coverage under
23 this section shall be through contracts with managed health care
24 systems as defined in RCW 74.09.522 except when utilization patterns
25 suggest that fee-for-service purchasing could produce equally effective
26 and cost-efficient care. However, the department shall make every
27 effort within available resources to purchase health care coverage for
28 uninsured children whose families have access to dependent coverage
29 through an employer-sponsored health plan or another source when it is
30 cost-effective for the state to do so, and the purchase is consistent
31 with requirements of Title XIX and Title XXI of the federal social
32 security act. To the extent allowable under federal law, the
33 department shall require families to enroll in available employer-
34 sponsored coverage, as a condition of participating in the program
35 established under this act, when it is cost-effective for the state to
36 do so. Families who enroll in available employer-sponsored coverage
37 under this act shall be accounted for separately in the annual report
38 required by RCW 74.09.053.

1 (5)(a) To reflect appropriate parental responsibility, the
2 department shall develop and implement a schedule of premiums for
3 children's health care coverage due to the department from families
4 with income greater than two hundred percent of the federal poverty
5 level. For families with income greater than two hundred fifty percent
6 of the federal poverty level, the premiums shall be established in
7 consultation with the senate majority and minority leaders and the
8 speaker and minority leader of the house of representatives. Premiums
9 shall be set at a reasonable level that does not pose a barrier to
10 enrollment. The amount of the premium shall be based upon family
11 income and shall not exceed the premium limitations in Title XXI of the
12 federal social security act. Premiums shall not be imposed on children
13 in households at or below two hundred percent of the federal poverty
14 level as articulated in RCW 74.09.055.

15 (b) Beginning January 1, 2009, the department shall offer families
16 whose income is greater than three hundred percent of the federal
17 poverty level the opportunity to purchase health care coverage for
18 their children through the programs administered under this section
19 without a premium subsidy from the state. The amount paid by the
20 family shall be in an amount equal to the rate paid by the state to the
21 managed health care system for coverage of the child, including any
22 associated and administrative costs to the state of providing coverage
23 for the child.

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

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

35 (b) Assistance with completing applications, and community-based
36 outreach efforts to help people apply for coverage. Community-based
37 outreach efforts should be targeted to the populations least likely to
38 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 department 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 outcome measures that are included in contracts with entities
26 that undertake components of the outreach and education effort;

27 (g) A feasibility study and implementation plan to develop online
28 application capability that is integrated with the department's
29 automated client eligibility system, and to develop data linkages with
30 the office of superintendent of public instruction for free and reduced
31 price lunch enrollment information and the department of early learning
32 for child care subsidy program enrollment information. The department
33 shall submit a feasibility study on the implementation of the
34 requirements in this subsection to the governor and legislature by July
35 2008.

36 (7) The department shall take action to increase the number of
37 primary care physicians providing dental disease preventive services

1 including oral health screenings, risk assessment, family education,
2 the application of fluoride varnish, and referral to a dentist as
3 needed.

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

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.09 RCW
9 to read as follows:

- 10 (1) The legislature finds that parents have a responsibility to:
11 (a) Enroll their children in affordable health coverage;
12 (b) Ensure that their children receive appropriate well-child
13 preventive care;
14 (c) Link their child with a medical home; and
15 (d) Understand and act upon the health benefits of good nutrition
16 and physical activity.

17 (2) The legislature intends that the programs and outreach and
18 education efforts established in section 2(6) of this act, as well as
19 partnerships with the public and private sectors, provide the support
20 and information needed by parents to meet the responsibilities set
21 forth in this section.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 74.09 RCW
23 to read as follows:

24 (1) The department, in collaboration with the department of health,
25 health carriers, local public health jurisdictions, children's health
26 care providers including pediatricians, family practitioners, and
27 pediatric subspecialists, parents, and other purchasers, shall identify
28 explicit performance measures that indicate that a child has an
29 established and effective medical home, such as:

- 30 (a) Childhood immunization rates;
31 (b) Well child care utilization rates, including the use of
32 validated, structured developmental assessment tools that include
33 behavioral and oral health screening;
34 (c) Care management for children with chronic illnesses;
35 (d) Emergency room utilization; and
36 (e) Preventive oral health service utilization.

1 Performance measures and targets for each performance measure must
2 be reported to the appropriate committees of the senate and house of
3 representatives by December 1, 2007.

4 (2) Beginning in calendar year 2009, targeted provider rate
5 increases shall be linked to quality improvement measures established
6 under this section. The department, in conjunction with those groups
7 identified in subsection (1) of this section, shall develop parameters
8 for determining criteria for increased payment or other incentives for
9 those practices and health plans that incorporate evidence-based
10 practice and improve and achieve sustained improvement with respect to
11 the measures in both fee for service and managed care.

12 (3) The department shall provide an annual report to the governor
13 and the legislature related to provider performance on these measures,
14 beginning in September 2010 and annually thereafter.

15 NEW SECTION. **Sec. 5.** A new section is added to chapter 28A.210
16 RCW to read as follows:

17 It is the goal of Washington state to ensure that:

18 (1) By 2010, all K-12 districts have school health advisory
19 committees that advise school administration and school board members
20 on policies, environmental changes, and programs needed to support
21 healthy food choice and physical activity and childhood fitness.
22 Districts shall include school nurses or other school personnel as
23 advisory committee members.

24 (2) By 2010, only healthy food and beverages provided by schools
25 during school hours or for school-sponsored activities shall be
26 available on school campuses. Minimum standards for available food and
27 beverages, except food served as part of a United States department of
28 agriculture meal program, are:

29 (a) Not more than thirty-five percent of its total calories shall
30 be from fat. This restriction does not apply to nuts, nut butters,
31 seeds, eggs, fresh or dried fruits, vegetables that have not been deep-
32 fried, legumes, reduced-fat cheese, part-skim cheese, nonfat dairy
33 products, or low-fat dairy products;

34 (b) Not more than ten percent of its total calories shall be from
35 saturated fat. This restriction does not apply to eggs, reduced-fat
36 cheese, part-skim cheese, nonfat dairy products, or low-fat dairy
37 products;

1 (c) Not more than thirty-five percent of its total weight or
2 fifteen grams per food item shall be composed of sugar, including
3 naturally occurring and added sugar. This restriction does not apply
4 to the availability of fresh or dried fruits and vegetables that have
5 not been deep-fried; and

6 (d) The standards for food and beverages in this subsection do not
7 apply to:

8 (i) Low-fat and nonfat flavored milk with up to thirty grams of
9 sugar per serving;

10 (ii) Nonfat or low-fat rice or soy beverages; or

11 (iii) One hundred percent fruit or vegetable juice.

12 (3) By 2010, all students in grades one through eight should have
13 at least one hundred fifty minutes of quality physical education every
14 week.

15 (4) By 2010, all student health and fitness instruction shall be
16 conducted by appropriately certified instructors.

17 (5) Beginning with the 2011-2012 school year, any district waiver
18 or exemption policy from physical education requirements for high
19 school students should be based upon meeting both health and fitness
20 curricula concepts as well as alternative means of engaging in physical
21 activity, but should acknowledge students' interest in pursuing their
22 academic interests.

23 NEW SECTION. **Sec. 6.** (1) There is hereby established a select
24 interim legislative task force on comprehensive school health reform.
25 The task force shall consist of two members of each caucus of the
26 senate, and two members of each caucus of the house of representatives.
27 The task force shall review and make recommendations on policies,
28 environmental changes, and programs needed to support healthy schools,
29 including but not limited to food choice, physical activity, and
30 childhood fitness. The task force shall also review the delivery of
31 health care services in the schools by school personnel providing
32 health services. The task force may establish technical advisory
33 committees related to nutrition, fitness, and child health.

34 (2) The task force shall submit its findings and recommendations to
35 the appropriate committees of the senate and house of representatives
36 by October 1, 2008.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 48.43 RCW
2 to read as follows:

3 When the department of social and health services has determined
4 that it is cost-effective to enroll a child participating in a medical
5 assistance program under chapter 74.09 RCW in an employer-sponsored
6 health plan, the carrier shall permit the enrollment of the participant
7 who is otherwise eligible for coverage in the health plan without
8 regard to any open enrollment restrictions. The request for special
9 enrollment shall be made by the department or participant within sixty
10 days of the department's determination that the enrollment would be
11 cost-effective.

12 NEW SECTION. **Sec. 8.** The following acts or parts of acts are each
13 repealed:

14 (1) RCW 74.09.405 (Children's health program--Purpose) and 1990 c
15 296 s 1;

16 (2) RCW 74.09.415 (Children's health program established) and 2005
17 c 279 s 2, 2002 c 366 s 2, 1998 c 245 s 144, & 1990 c 296 s 2;

18 (3) RCW 74.09.425 (Children's health care accessibility--Community
19 action) and 1990 c 296 s 4;

20 (4) RCW 74.09.435 (Children's health program--Biennial evaluation)
21 and 1990 c 296 s 5; and

22 (5) RCW 74.09.450 (Children's health insurance program--Intent--
23 Department duties) and 1999 c 370 s 1.

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