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**SUBSTITUTE HOUSE BILL 2128**

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**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; and (b)  
11 implementing eligibility determination and renewal processes that will  
12 allow the state to receive an enhanced federal matching rate and  
13 additional federal outreach funding available through the federal  
14 children's health insurance program reauthorization act of 2009 by  
15 January 2010. The department shall advise the governor and the  
16 legislature regarding the status of these efforts by September 30,  
17 2009. The information provided should include the status of the  
18 department's efforts, the anticipated impact of those efforts on  
19 enrollment, and the costs associated with that enrollment.

20 (3) To ensure continuity of care and ease of understanding for  
21 families and health care providers, and to maximize the efficiency of  
22 the program, the amount, scope, and duration of health care services  
23 provided to children under this section shall be the same as that  
24 provided to children under medical assistance, as defined in RCW  
25 74.09.520.

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

1 established under (~~chapter 5, Laws of 2007~~) this section, when it is  
2 cost-effective for the state to do so. Families who enroll in  
3 available employer-sponsored coverage under (~~chapter 5, Laws of 2007~~)  
4 this section shall be accounted for separately in the annual report  
5 required by RCW 74.09.053.

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

20 (b) Beginning no later than January 1, (~~2009~~) 2010, the  
21 department shall offer families whose income is greater than three  
22 hundred percent of the federal poverty level the opportunity to  
23 purchase health care coverage for their children through the programs  
24 administered under this section without (~~a~~) an explicit premium  
25 subsidy from the state. The design of the health benefit package  
26 offered to these children should provide adequate and appropriate  
27 coverage, and may differ with respect to cost-sharing, covered  
28 services, and other appropriate elements from that provided to children  
29 under subsection (3) of this section. The amount paid by the family  
30 shall be in an amount equal to the rate paid by the state to the  
31 managed health care system for coverage of the child, including any  
32 associated and administrative costs to the state of providing coverage  
33 for the child.

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

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

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

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

10       (iii) Persons appointed or authorized to solicit applications for  
11 enrollment in nonsubsidized state children's health coverage, including  
12 employees of the department, must comply with chapter 48.17 RCW. For  
13 purposes of this subsection, the term "solicit" does not include  
14 distributing information and applications for nonsubsidized state  
15 children's health coverage and responding to questions.

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

19       (6) The department shall undertake and continue a proactive,  
20 targeted outreach and education effort with the goal of enrolling  
21 children in health coverage and improving the health literacy of youth  
22 and parents. The department shall collaborate with the department of  
23 health, local public health jurisdictions, the office of (~~the~~) the  
24 superintendent of public instruction, the department of early learning,  
25 health educators, health care providers, health carriers, community-  
26 based organizations, and parents in the design and development of this  
27 effort. The outreach and education effort shall include the following  
28 components:

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

31       (b) Assistance with completing applications, and community-based  
32 outreach efforts to help people apply for coverage. Community-based  
33 outreach efforts should be targeted to the populations least likely to  
34 be covered;

35       (c) Use of existing systems, such as enrollment information from  
36 the free and reduced-price lunch program, the department of early  
37 learning child care subsidy program, the department of health's women,

1 infants, and children program, and the early childhood education and  
2 assistance program, to identify children who may be eligible but not  
3 enrolled in coverage;

4 (d) Contracting with community-based organizations and government  
5 entities to support community-based outreach efforts to help families  
6 apply for coverage. These efforts should be targeted to the  
7 populations least likely to be covered. The department shall provide  
8 informational materials for use by government entities and community-  
9 based organizations in their outreach activities, and should identify  
10 any available federal matching funds to support these efforts;

11 (e) Development and dissemination of materials to engage and inform  
12 parents and families statewide on issues such as: The benefits of  
13 health insurance coverage; the appropriate use of health services,  
14 including primary care provided by health care practitioners licensed  
15 under chapters 18.71, 18.57, 18.36A, and 18.79 RCW, and emergency  
16 services; the value of a medical home, well-child services and  
17 immunization, and other preventive health services with linkages to  
18 department of health child profile efforts; identifying and managing  
19 chronic conditions such as asthma and diabetes; and the value of good  
20 nutrition and physical activity;

21 (f) An evaluation of the outreach and education efforts, based upon  
22 clear, cost-effective outcome measures that are included in contracts  
23 with entities that undertake components of the outreach and education  
24 effort;

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

34 (7) The department 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 and shall report to appropriate committees of the  
4 legislature by December 2010.

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

7 (1) The department, in collaboration with the department of health,  
8 health carriers, local public health jurisdictions, children's health  
9 care providers including pediatricians, family practitioners, and  
10 pediatric subspecialists, community and migrant health centers,  
11 parents, and other purchasers, shall ((identify explicit performance  
12 measures that indicate that a child has an established and effective  
13 medical home, such as)) establish a concise set of explicit performance  
14 measures that can indicate whether children enrolled in the program are  
15 receiving health care through an established and effective medical  
16 home, and whether the overall health of enrolled children is improving.  
17 Such indicators may include, but are not limited to:

18 (a) Childhood immunization rates;

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

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

23 (d) Emergency room utilization; ((and))

24 (e) Visual acuity and eye health;

25 (f) Preventive oral health service utilization; and

26 (g) Children's mental health status. In defining these measures  
27 the department shall be guided by the measures provided in RCW  
28 71.36.025.

29 Performance measures and targets for each performance measure must  
30 be ((reported to the appropriate committees of the senate and house of  
31 representatives by December 1, 2007)) established and monitored each  
32 biennium, with a goal of achieving measurable, improved health outcomes  
33 for the children of Washington state each biennium.

34 (2) Beginning in calendar year 2009, targeted provider rate  
35 increases shall be linked to quality improvement measures established  
36 under this section. The department, in conjunction with those groups  
37 identified in subsection (1) of this section, shall develop parameters

1 for determining criteria for increased payment, alternative payment  
2 methodologies, or other incentives for those practices and health plans  
3 that incorporate evidence-based practice and improve and achieve  
4 sustained improvement with respect to the measures (~~in both fee for~~  
5 ~~service and managed care~~)).

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

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

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