
SENATE BILL 5093

State of Washington

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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 01/10/2007. Referred to Committee on Health & Long-Term Care.

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; and repealing RCW 74.09.405, 74.09.415,
4 74.09.425, 74.09.435, and 74.09.450.

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

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

8 (1) The legislature finds that:

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

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

1 state. In addition, fully immunized children are themselves protected,
2 and in turn protect others, from contracting communicable diseases;

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

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

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

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

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

35 (a) All children in the state of Washington have health care
36 coverage by 2010. This should be accomplished by building upon and
37 strengthening the successes of private health insurance coverage and
38 publicly supported children's health insurance programs in Washington

1 state. Access to coverage should be streamlined and efficient, with
2 reductions in unnecessary administrative costs and mechanisms to
3 expeditiously link children with a medical home;

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

9 NEW SECTION. Sec. 2. A new section is added to chapter 74.09 RCW
10 to read as follows:

11 (1) Consistent with the goals established in RCW 74.09.402, the
12 department shall design and administer a program to provide affordable
13 health care coverage to children under the age of nineteen who reside
14 in Washington state and whose family income at the time of enrollment
15 is not greater than two hundred fifty percent of the federal poverty
16 level as adjusted for family size and determined annually by the
17 federal department of health and human services. In administering the
18 program, the department shall take such actions as may be necessary to
19 ensure the receipt of federal financial participation under the medical
20 assistance program, as codified at Title XIX of the federal social
21 security act, the state children's health insurance program, as
22 codified at Title XXI of the federal social security act, and any other
23 federal funding sources that are now available or may become available
24 in the future.

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 due
28 to 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. No
31 premium subsidy may be paid with respect to any child whose current
32 family income is greater than two hundred fifty percent of the federal
33 poverty level. The application and annual renewal processes shall be
34 designed to minimize administrative barriers for applicants and
35 enrolled clients, and to minimize gaps in eligibility for families who
36 are eligible for coverage. If a change in family income results in a

1 change in program eligibility, the department shall transfer the family
2 to the appropriate program and notify the family with respect to any
3 change in premium obligation, without a break in eligibility.

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

10 (4) The primary mechanism for purchasing health care coverage under
11 this section shall be through contracts with managed health care
12 systems as defined in RCW 74.09.522. However, the department shall
13 make every effort within available resources to purchase health care
14 coverage for uninsured children whose families have access to dependent
15 coverage through an employer-sponsored health plan or another source
16 when it is cost-effective for the state to do so, and the purchase is
17 consistent with requirements of Title XIX and Title XXI of the federal
18 social security act. The department shall require families to enroll
19 in available employer-sponsored coverage, as a condition of
20 participating in the program established under this act, when it is
21 cost-effective for the state to do so.

22 (5)(a) To reflect appropriate parental responsibility, the
23 department shall develop a schedule of premiums for children's health
24 care coverage due to the department from families with income greater
25 than two hundred percent of the federal poverty level. The amount of
26 the premium shall be based upon family income and shall not exceed the
27 premium limitations in Title XXI of the federal social security act.
28 Premiums shall not be imposed on children in households at or below two
29 hundred percent of the federal poverty level as articulated in RCW
30 74.09.055.

31 (b) The department shall offer families whose income is greater
32 than two hundred fifty percent of the federal poverty level the
33 opportunity to purchase health care coverage for their children through
34 the programs administered under this section without a premium subsidy
35 from the state. The amount paid by the family shall be in an amount
36 equal to the rate paid by the state to the managed health care system
37 for coverage of the child, including any associated and administrative
38 costs to the state of providing coverage for the child.

1 (6) Enrollment for children, other than for those eligible for
2 medical assistance, Title XIX of the federal social security act,
3 administered under this section is not an entitlement. If it appears
4 that continued enrollment will result in expenditures exceeding the
5 appropriated level for a particular fiscal year, the department may
6 freeze new enrollment in the applicable program for that year. As part
7 of the department's biennial and supplemental operating budget, the
8 department and caseload forecast council shall forecast the anticipated
9 caseload and costs of the program established in this section and
10 include those costs in the department's budget submission to the office
11 of financial management.

12 (7) The department shall undertake a proactive, targeted outreach
13 and education effort with the goal of enrolling children in health
14 coverage and improving the health literacy of youth and parents. The
15 department shall collaborate with the department of health, local
16 public health jurisdictions, the office of superintendent of public
17 instruction, the department of early learning, health educators, health
18 care providers, and parents in the design and development of this
19 effort. The outreach and education effort shall include the following
20 components:

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

23 (b) Assistance with completing applications, and community-based
24 outreach efforts to help people apply for coverage. Community-based
25 outreach efforts should be targeted to the populations least likely to
26 be covered;

27 (c) Use of existing systems, such as enrollment information from
28 the free and reduced price lunch program, the department of early
29 learning child care subsidy program, and the early childhood education
30 and assistance program, to identify children who may be eligible but
31 not enrolled in coverage;

32 (d) Development and dissemination of materials to engage and inform
33 parents and families statewide on issues such as: The benefits of
34 health insurance coverage; the appropriate use of health services,
35 including primary care and emergency services; the value of a medical
36 home, well-child services and immunization, and other preventive health
37 services with linkages to department of health child profile efforts;

1 identifying and managing chronic conditions such as asthma and
2 diabetes; and the value of good nutrition and physical activity;

3 (e) An evaluation of the outreach and education efforts, based upon
4 clear outcome measures that are included in contracts with entities
5 that undertake components of the outreach and education effort;

6 (f) A feasibility study and implementation plan to develop online
7 application capability that is integrated with the department's
8 automated client eligibility system, and to develop data linkages with
9 the office of superintendent of public instruction for free and reduced
10 price lunch enrollment information and the department of early learning
11 for child care subsidy program enrollment information. The department
12 shall submit a feasibility study on the implementation of the
13 requirements in this subsection to the governor and legislature by July
14 2008.

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

17 (1) The legislature finds that parents have a responsibility to:

18 (a) Enroll their children in affordable health coverage;

19 (b) Ensure that their children receive appropriate well-child
20 preventive care;

21 (c) Link their child with a medical home; and

22 (d) Understand and act upon the health benefits of good nutrition
23 and physical activity.

24 (2) The legislature intends that the programs and outreach and
25 education efforts established in section 2(7) of this act, as well as
26 partnerships with the public and private sectors, provide the support
27 and information needed by parents to meet the responsibilities set
28 forth in this section.

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

31 (1) The department, in collaboration with the department of health,
32 health plans, local public health jurisdictions, children's health care
33 providers, parents, and other purchasers, shall identify explicit
34 performance measures that indicate that a child has an established and
35 effective medical home, such as:

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) Preventive oral health service utilization.

7 Performance measures and targets for each performance measure must
8 be completed by September 1, 2007.

9 (2) Beginning in calendar year 2008 and 2009, on a phased-in basis,
10 targeted provider rate increases shall be linked to quality improvement
11 measures established under this section. The department, in
12 conjunction with those groups identified in section 5(1) of this act,
13 shall develop parameters for determining criteria for increased payment
14 or other incentives for those practices and health plans that
15 incorporate evidence-based practice and improve and achieve sustained
16 improvement with respect to the measures in both fee for service and
17 managed care. (3) The department shall provide an annual report to

18 the governor and the legislature related to provider performance on
19 these measures, beginning in September 2009 and annually thereafter.

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

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

23 (1) By 2010, all K-12 districts have school health advisory
24 committees that advise school administration and school board members
25 on policies, environmental changes, and programs needed to support
26 healthy food choice and physical activity and childhood fitness.

27 (2) By 2010, only healthy food and beverages shall be available on
28 school campuses. Minimal standards for available food items, except
29 food served as part of a United States department of agriculture meal
30 program, include:

31 (a) Not more than thirty-five percent of its total calories from
32 fat;

33 (b) Not more than ten percent of its total calories from saturated
34 fat; and

35 (c) Not more than thirty-five percent of its total weight or
36 fifteen grams sugar per food item composed of sugar, including
37 naturally occurring and added sugar.

1 (3) By 2010, all students in grades one through eight should have
2 at least thirty minutes of quality physical education per school day.

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

5 (5) By 2010, any district waiver or exemption policy from physical
6 education requirements for high school students shall be based upon
7 meeting both health and fitness curricula concepts as well as relevant
8 and adequate physical activity.

9 NEW SECTION. **Sec. 6.** A new section is added to chapter 74.09 RCW
10 to read as follows:

11 When the department of social and health services has determined
12 under section 2 of this act that it is cost-effective to enroll a child
13 or his or her parent in dependent coverage through an employer-
14 sponsored health plan or any other health plan offered by a health
15 maintenance organization, the health maintenance organization shall
16 permit the enrollment of the parent or child who is otherwise eligible
17 for coverage in the health plan without regard to any open enrollment
18 season restrictions.

19 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
20 repealed:

21 (1) RCW 74.09.405 (Children's health program--Purpose) and 1990 c
22 296 s 1;

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

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

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

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

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