

HOUSE BILL REPORT

2SSB 5093

As Passed House:

March 6, 2007

Title: An act relating to health care services for children.

Brief Description: Concerning access to health care services for children.

Sponsors: 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).

Brief History:

Committee Activity:

Appropriations: 2/20/07, 3/1/07 [DP].

Floor Activity:

Passed House: 3/6/07, 68-28.

Brief Summary of Second Substitute Bill

- Directs the Department of Social and Health Services (DSHS) to provide health insurance coverage for children under age 19 in families with household incomes of up to 250 percent of the federal poverty level, and effective January 1, 2009, only to the extent that funds are specifically appropriated, for children whose family income is not greater than 300 percent of the federal poverty level.
- Requires the DSHS to develop and implement a schedule of premiums for children's health coverage for families with incomes greater than 200 percent of the federal poverty level.
- Directs the DSHS, beginning January 1, 2009, to offer families whose income is greater than 300 percent of the federal poverty level the opportunity to purchase health care coverage for their children without a state premium subsidy.
- Establishes an outreach and education effort to identify and enroll eligible children in health coverage.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- Beginning in 2009, requires targeted rate increases for health care providers to be linked to quality improvement measures.
- Establishes nutritional health and physical activity goals for school districts.
- Establishes a Select Interim Legislative Task Force on Comprehensive School Health Reform.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 22 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Cody, Conway, Darneille, Ericks, Fromhold, Grant, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Morrell, Pettigrew, Schual-Berke, Seaquist and P. Sullivan.

Minority Report: Do not pass. Signed by 12 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Dunn, Hinkle, Kretz, McDonald, Priest and Walsh.

Staff: Bernard Dean (786-7130).

Background:

The Department of Social and Health Services (DSHS) operates several programs that provide publicly-funded health care coverage for children under age 19. The joint state-federal Medicaid program provides access to health coverage for children under age 19 living in households with family income at or below 200 percent of the federal poverty level. The joint state-federal State Children's Health Insurance Program (SCHIP) provides access to health coverage for children under age 19 living in households with family income at or below 250 percent of the federal poverty level. The Children's Health Program (CHP) provides state-funded coverage for children under age 18 with family incomes at or below 100 percent of the federal poverty level who are ineligible for Medicaid or SCHIP as a result of their immigration status.

The Office of Financial Management's 2006 State Population Survey suggests that there are an estimated 72,600 children living in Washington households who are not covered by health insurance, which is 22,000 fewer than were estimated to be uninsured in 2004. Approximately 45,500 of these children are living in households with family income at or below 250 percent of the federal poverty level who are not covered by health insurance. There are an estimated 4,600 children living in families with household incomes between 250 percent and 300 percent of the federal poverty level who are not covered by health insurance.

Legislation enacted in 2005 established the intent of the Legislature to provide health care coverage for all children in Washington by 2010.

Summary of Bill:

The DSHS will provide affordable health care coverage for all children under the age of 19 in families with household incomes of up to 250 percent of the federal poverty level. Effective January 1, 2009, the income eligibility standard will be increased to 300 percent of the federal poverty level, subject to the extent that funds are specifically appropriated for this purpose. In administering the program, the DSHS will take such actions as may be necessary to ensure federal financial participation under the Medicaid and SCHIP. The Caseload Forecast Council and the DSHS will estimate the anticipated caseloads and costs of this program.

The DSHS will modify its eligibility renewal procedures to lower the percentage of children failing to annually renew health care coverage and will report to the appropriate committees of the Legislature by December 2007.

Children with family incomes greater than 200 percent of the federal poverty level will be charged premiums for health care coverage. For families with incomes greater than 250 percent of the federal poverty level, the premiums will be established in consultation with the Senate Majority and Minority Leaders and the Speaker and Minority Leader of the House of Representatives. The premiums will be based upon family income and will not exceed the premium limitations in the federal Social Security Act.

Beginning January 1, 2009, children with family incomes above 300 percent of the federal poverty limit will have an opportunity to purchase coverage from the DSHS without state subsidy.

The DSHS will undertake an outreach and education effort to identify and enroll eligible children, including contracting with community organizations and other governmental entities.

The DSHS will monitor how many children enter this program from private insurance and report to the Legislature by December 2010.

Beginning in 2009, targeted rate increases for health care providers will be linked to quality improvement measures.

A number of nutritional health and physical activity goals are established for Kindergarten-12th grade (K-12) districts.

A Select Interim Legislative Task Force on Comprehensive School Health Reform is established. The Task Force will report its findings and recommendations to the Legislature by October 1, 2008.

The DSHS is authorized to enroll eligible children participating in medical assistance in an employer-sponsored health plan, regardless of open enrollment restrictions, when it is cost-effective to do so.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) There are three components to this bill; it will increase the availability of comprehensive health insurance, outreach, increase access, and provide follow up. This is a cost-effective measure and will redirect care from emergency rooms to primary care. The use of emergency rooms is highly inappropriate. One emergency room visit, on average, will be more costly than to provide one child with primary care for one year. Our emergency rooms are not equipped to respond to the true public health emergencies that might arise because of the number of uninsured who are seeking care.

Past investments in children's health care have resulted in a 23 percent decline in the number of uninsured children in this state. This bill gets us one step closer to getting health coverage for all kids by 2010. The need for costly dental expenses will be reduced.

There have been concerns voiced about substitution. What is happening is that with increased costs, people are dropping their dependents from coverage. A California study shows that there wasn't evidence of substitution. This bill is not a free ride. Families pick up 28 percent of costs, the federal government picks up between 66 and 67 percent, and the state picks up \$8 per month. This is a good deal for everyone.

We need to clear up some misnomers about the outreach and marketing programs that go along with this bill. During the last outreach effort from 1998 to 2002, we signed up 17,000 kids in King and Spokane counties and 100,000 statewide. Kids are identified as needing health care and they get signed up for the programs that they are eligible for. Kids get identified in the schools, hospitals, clinics, and through community organizations. This is not about billboards, television or newspaper ads. We can obtain free media from our news media outlets.

We've done good work but have more to do. This creates a seamless program to 250 percent of the federal poverty level. The Governor's vision was to do targeted outreach for those eligible, but not enrolled. It's up to DSHS to determine which programs they are eligible for. The Governor felt strongly about including performance measures for health outcomes. Both the public and private sector have responsibility for covering all kids by 2010.

(With concerns) Sections 5 and 6 deal with schools and set goals and establish a task force. These issues do not belong in this bill. There are bills moving through the Legislature dealing with these issues. We would like have these sections removed.

We need a small but significant amendment. We need to assure Washington residents maintain access to the health care provider of their choice. The definition of parental responsibilities in the current bill provides no accommodation for religious non-medical health

care such as Christian Science practitioners or nurse services. Many private health plans and Medicare make such accommodations.

(Opposed) None.

Persons Testifying: (In support) Len McComb, Washington State Hospital Association and Community Health Plan of Washington; John Neff, Children's Hospital and Regional Medical Center; Robbie Stern, Washington State Labor Council; Sarah Cherin, Children's Alliance; and Christina Hulet, Nick Lutes and Roger Gantz, Office of the Governor.

(With concerns) Barbara Mertens, Washington Association of School Administrators; and Bill Scott, Christian Science Committee on Publication of Washington.

Persons Signed In To Testify But Not Testifying: None.