

HOUSE BILL REPORT

2SHB 1941

As Passed House:
February 12, 2024

Title: An act relating to providing for health home services for medicaid-eligible children with medically complex conditions.

Brief Description: Providing for health home services for medicaid-eligible children with medically complex conditions.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Couture, Schmidt, Reed, Graham, Barnard, Kloba, Cheney, Riccelli, Pollet, Griffey and Jacobsen).

Brief History:

Committee Activity:

Health Care & Wellness: 1/17/24, 1/31/24 [DPS];
Appropriations: 2/5/24 [DP2S(w/o sub HCW)].

Floor Activity:

Passed House: 2/12/24, 97-0.

Brief Summary of Second Substitute Bill

- Requires the Health Care Authority to submit a state plan amendment to allow Medicaid-eligible children with medically complex conditions to voluntarily enroll in a health home.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Riccelli, Chair; Bateman, Vice Chair; Schmick, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Bronoske, Caldier, Davis, Graham, Harris, Macri, Maycumber, Mosbrucker, Orwall, Simmons, Stonier, Thai and Tharinger.

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

Staff: Kim Weidenaar (786-7120).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 30 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chopp, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Stokesbary, Stonier, Tharinger and Wilcox.

Staff: Meghan Morris (786-7119).

Background:

Medicaid State Plan.

Medicaid is a program funded jointly by states and the federal government that provides health coverage to a variety of populations including eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities. Medicaid is administered by states, according to federal requirements. Federal law sets broad requirements for the program and mandates coverage of some populations and benefits, while leaving others optional. States then make operational and policy decisions that determine who is eligible for enrollment, which services are covered, and how payments are set.

Each state specifies the nature and scope of its Medicaid program through a state plan that must be submitted and approved by the federal Centers for Medicare and Medicaid Services (CMS) in order for the state to access federal Medicaid funds. The state plan can be amended as needed to reflect changes in state policy and federal law and regulation through state plan amendments (SPAs). In implementing a state's Medicaid program, states are required to comply with Medicaid requirements for statewideness, comparability, and freedom of choice unless the state has received a waiver of these provisions through the CMS.

Medicaid Health Home Benefit for Children with Medically Complex Conditions.

The Medicaid Services Investment and Accountability Act of 2019 authorized states to cover an optional health home state plan benefit for Medicaid-eligible children with medically complex conditions. Beginning October 1, 2022, states were able to offer the new health home services benefit for children with medically complex conditions, which includes providing access to the full range of pediatric specialty and subspecialty medical services, person-centered care management, care coordination, and patient and family support, including services from out-of-state providers, as medically necessary. States with an approved Medicaid SPA to cover the new health home benefit will receive a 15-

percentage point increase in federal matching for their expenditures on health home services during the first two fiscal year quarters that the SPA is in effect.

Summary of Second Substitute Bill:

By January 1, 2025, the Health Care Authority (HCA) must submit a SPA to the CMS to allow Medicaid-eligible children with medically complex conditions to voluntarily enroll in a health home as provided in the Medicaid Services Investment and Accountability Act of 2019.

The provisions of the bill are null and void if they are not specifically funded and referenced in the operating budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Health Care & Wellness):

(In support) The federal Advancing Care for Exceptional Kids Act of 2019 was designed to improve care for children with medically complex conditions. It helps coordinate care for these kids, but to use the program, the state will need to put in a SPA. One of the financial benefits of the program is an enhanced federal Medicaid match. We need more ways to get kids out of hospitals and into the care settings that matter to them. This program is meant for the sickest kids.

Patients who are the most medically complex average over 90 health care visits a year. The level of coordination needed to keep these children healthy is a full-time job. This program and others like it assist these children and families at a higher level to coordinate transportation, insurance, general care, and batching appointments. Many families share how helpful these services are and this level of coordination reduces the length of hospital stays and the number of emergency room visits.

The goal of this program is better care and fewer hospital admissions. For the most vulnerable, timely access to care is critical to maximizing potential and minimizing burden. There is no current system to coordinate the services for these patients. Parents often have to navigate this system alone while taking care of the child and often other family members. Without support, these children languish. These families profoundly benefit from this type of support.

This bill funds a critical model of care and care coordination. This work currently happens

after hours and parents are left navigating a disjointed medical system.

This bill makes great financial sense since it draws down an enhanced federal match. Many children's hospitals advocated for Congress to pass the federal bill creating this program. Medically complex kids are responsible for over half of the Medicaid charges and 80 percent of the in-hospital charges for children. This program decreases caregiver burden, supports high quality care, and decreases utilization.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) This bill implements the state Medicaid option provided by the federal Advancing Care for Exceptional Kids Act, which became law in 2019. This will help the most medically complex and fragile kids throughout the state. This bill will also help children's hospitals and increase federal Medicaid match funding for the most vulnerable.

(Opposed) None.

Persons Testifying (Health Care & Wellness): Representative Travis Couture, prime sponsor; Michele Hagerstrom, MultiCare Mary Bridge Children's Hospital; Mike Barsotti, Providence; Hugh Ewart, Seattle Children's Hospital; and Paige Killelea, Washington Chapter of the American Academy of Pediatrics.

Persons Testifying (Appropriations): Representative Travis Couture, prime sponsor.

Persons Signed In To Testify But Not Testifying (Health Care & Wellness): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.