



CHILDREN'S ALLIANCE

2009-2011 Budget Proposal Comparison Children's Health Analysis (Figures listed in thousands, NGF-S funds)

Proposed Budget Cuts	Governor's Proposed Budget 12/2008	House Budget, 3/2009	Senate Budget, 3/2009	Conference budget 4/2009
Apple Health for Kids				
Apple Health for Kids program	(6,083) ¹	450 ²	No cut	0
Apple Health for Kids Outreach	0	850 ³	0	850
Other Medical coverage programs				
Basic Health Plan	(252,000)	(251,897)	(223,136)	(222,438)
Reduce Healthy Options Premiums ⁴	(37,737) ⁵	(32,604)	(32,604)	(32,604)
Alien Emergency Medical Coverage	(34,799)	No cut	(7,648)	(13,868)
Health Insurance Partnership Elimination	(11,800)	(11,834)	(11,834)	(11,834)
Providers and Rates				
Pediatric Rate decrease	(2,554) ⁶	(5,418)	(17,881) ⁷	(17,881)
Reduce Federally Qualified Health Centers for children in Healthy Options	(15,905)	(15,905)	(13,000)	(25,000)
Reduce Inpatient Hospital Services ⁸	(34,552)	(46,583)	(46,487)	(64,309)
Reduce Outpatient Hospital Services ⁹	(7,424)	(28,625)	(28,233)	
Reduce Pediatric Interim Care Services	No cut	(690)	No cut	No cut
Move Hospitals to OPPS	(4,500)	(7,821)	(7,821)	(3,627)
Equalize Rates paid for childbirth	(446)	(1,744)	(1,743)	(1,744)

¹ Governor's budget funds Apple Health up to 250%

² House budget includes funds for single point person and Apple Health ID card

³ Amendment reduced allocation from \$1.5 M to \$850,000 on April 7; difference put into infant hearing screening program

⁴ Reflects a 1% reduction in Calendar Year 2009, and no growth in FY 2010 and 2011

⁵ Governor's budget: Calendar year 2009 reduction = \$10,656, fiscal year 2010 & 2110 = \$27,005

⁶ Governor's reduction reflects a 7% decrease

⁷ Senate reduction reflects a 33% decrease (initial rate increase of 48%, reduced to 15%)

⁸ Governor's budget reduces rates by 4%; Senate budget reduces rate by 5%

⁹ Governor's budget reduces rate by 4%; Senate budget reduces rate by 5%

Mental Health				
Children's mental health (HB 1373)	?	300	No cut	19
Reduce children's evidence-based practices	?	(1,868)	No cut	(1,868)
"Wraparound" Pilot Projects	?	No cut	(1,418)	No cut
Funding shift for Mental Health Block Grant	(2,002)	(1,100)	(1,100)	(1,100)
Reduce non-Medicaid Rates for RSNs	(19,350)	(23,212)	(23,214)	(23,212)
Reduce Medicaid Rates for RSNs	(11,195)	(11,195)	(9,897)	(9897)

Vaccines				
Universal Purchase Eliminated	(49,600) ¹⁰	(28,401) ¹¹	(48,500) ¹²	(55,300) ¹³
Early elimination of certain vaccines by July 1, 2010		(25,365) ¹⁴		

Family planning				
Eliminate Family Planning Nurses in CSOs	(958)	No cut	No cut	No cut
Eliminate Family Planning Supplies	(52)	No cut	No cut	No cut
Reduce State Family Planning Grants	No cut	(5,500)	(1,000)	(4,000)

Pharmaceutical				
Pharmacy Purchasing and Coverage Reductions	(108,600) ¹⁵	n/a	n/a	n/a
Control brand-named drug costs		(3,897)	(11,477)	No cut
Emphasize use of generic drugs		(38,063)	(27,604)	(40,534)
Reduce over the counter drugs		(16,049)	(15,754)	(15,851)

Additional programs				
Reduce Public Health funding	No cut	(27,000) ¹⁶	(4000)	(4,000) ¹⁷
Dental services reduction	?	(3,328) ¹⁸	(10,276) ¹⁹	(7,304)

¹⁰ Governor's budget proposal includes elimination of HPV vaccine by July 1, 2009, and entire Universal Purchase program by July 1, 2010

¹¹ House proposal eliminates Universal Purchase by May 1, 2010

¹² Eliminates HPV, meningococcal, and rotavirus by July 1, 2009, and Universal Purchase program by July 1, 2010

¹³ Conference budget eliminates funding for HPV vaccine on July 1 2009, and the Universal Purchase program in May 2010

¹⁴ Eliminates HPV by July 1, 2009

¹⁵ Governor's budget may include, but not be limited to, reductions due to controlling brand-named drugs, emphasizing use of generic drugs, and reducing over the counter drugs.

¹⁶ House budget reductions to Public Health are located in 2 areas; see notes under 'Reduce Public Health funding' below. On April 7, the H. Ways and Means committee added funding - \$16 million from Tobacco settlement funds, and \$8.1 million from the general fund.

¹⁷ This figure includes \$16 million from the Tobacco settlement funds, and MVET backfill funds.

¹⁸ House budget reflects elimination of a program for kids and adult endodontic services

¹⁹ Senate reduction reflects a 6% decrease across all dental expenditures; not limited to just kids

Cord blood pilot project	(7,400) ²⁰	(300)	(300)	(300)
Lead poisoning screening		(576)	(576)	(576)
Rare blood and marrow collection		(200)	(200)	(200)
Hearing intervention		(325) ²¹	No cut	No cut
Enhanced match for pregnancy services	(5228)	(317)	(317)	(317)
Eliminate Foster Care Nurse Hotline	(88)	(88)	No cut	Cut ²²
Eliminate Foster Care Health Pilot	No cut	(574)	(574)	(574)
Eliminate Medicaid asthma in-home pilot	(536)	(536)	No cut	No cut
Deportation of non-citizen offenders	(9,100)	No cut	(8,326)	(8,326)
Suspend medical home collaborative project	No cut	No cut	(953) ²³	(953)

Federal Funding Assumed	(additional)			
Federal Medicaid Assistance Percentage ²⁴ (FMAP)	779,000	751,731	751,731	746,359
TANF contingency fund	152,000	156,328	153,188	99,138
Enhanced CHIP match ²⁵	2,860	46,515	46,515	46,515
Federal Vaccine Funding	Not assumed	6,865 ²⁶	Not specified	Not specified ²⁷
CHIP for legal immigrant children	Not assumed	3,919	3,919	3,919
Claim FMAP For Transportation Admin	Not assumed	44	44	44
Federal COBRA subsidy	Not assumed	207	207	207
Interpreter services	Not assumed	3,382	3,382	3,382

Health Investments MAINTAINED or ENHANCED in Proposed House and/or Senate Budgets:

Children's Health Coverage (Apple Health for Kids)

In House: Funding is provided to create an Apple Health executive position and provide all children enrolled in Apple Health with identification cards under Engrossed Substitute House Bill No. 2128 (children's health coverage) .

April 7, 2009 update – Accepted amendment to House budget reduced allocation to \$850,000.

²⁰ Figure for the Governor's budget also includes colorectal cancer screening and senior falls programs

²¹ Amendment accepted on April 7th provided funding in the amount of \$325,000; resulting cut to program is \$325,000

²² Foster care nurse hotline cut as part of the Governor directed 1% cut, and continued into the '09-'11 biennium; no information on associated dollar amount.

²³ Senate proposal reduction for medical home pilot projects will reduce number of sites from 40 to 20 (Per GHC analysis)

²⁴ House and Senate figures are total FMAP for DSHS – Medical Assistance Payments program

²⁵ Figure for Governor's budget states match for 150-200%; For House and Senate, match is for 133-200%

²⁶ House budget allows state to spend federally allocated funds to cover vaccines for kids not covered by the state vaccine program

²⁷ Dollar amount for federal vaccine funding not specified, although budget allows state to spend federally allocated funds to cover vaccines for low-income kids in Medicaid and other state funded insurance programs.

In Senate: Funding maintained to cover Kids up to 300% FPL
Governor: Funding cut in the amount of \$6.083 million
Conference: Funding not included

Apple Health for Kids Outreach

In House: Funding is provided to continue outreach activities to increase the enrollment of eligible children in the Apple Health for Kids program.

In Senate: Funding not included

Governor: Funding not included

Conference: Funding is provided to continue outreach activities to increase the enrollment of eligible children in the Apple Health for Kids program.

Health Investments REDUCED in Proposed House and/or Senate Budgets:

Basic Health Plan (Health Care Authority)

In House: Funding for the Basic Health Plan (BHP) is reduced by 43 percent in the 2009-11 biennium. The Health Care Authority will streamline administrative procedures and adjust benefit design and cost sharing to allow for the enrollment of as many people as possible with the reduced funds.

In Senate: Beginning July 2009, the authority may freeze admissions to the Basic Health Plan (BHP) and/or disenroll members with incomes not less than the federal poverty level until a caseload of approximately 60,000 is reached. Funding is provided to maintain this caseload level through the end of the biennium. In July 2009, BHP enrollees who are also enrolled in a Department of Social and Health Services (DSHS) Medical Assistance program will be eliminated from the BHP caseload but will retain their Medical Assistance eligibility. By January 2010, the Authority will collaborate with DSHS to transfer any remaining DSHS-eligible children on BHP to the appropriate Medical Assistance program for which they are eligible.

Conference: Funding for the Basic Health Plan (BHP) is reduced by 43 percent in the 2009-11 biennium. The Health Care Authority will streamline administrative procedures and adjust benefit design and cost sharing to allow for the enrollment of as many people as possible with the reduced funds.

Reduce Healthy Options Premiums (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will reduce premiums for Healthy Options managed care by 1 percent in calendar year 2009. The forecast assumed zero growth in premiums for Healthy Options managed care for calendar year 2009. The Department of Social and Health Services will also reduce the amount of growth assumed for Healthy Options managed care premiums in calendar years 2010-2011 to zero percent. The forecast assumed a 2.5 percent per year premium growth rate in 2010-2011.

In Senate: Healthy Options managed care premium rates are reduced to reflect a one percent reduction for CY 2009 and no growth for CY 2010 and CY 2011.

Conference: The Department of Social and Health Services (DSHS) will reduce premiums for Healthy Options managed care by 1 percent in calendar year 2009. The forecast assumed zero growth in premiums for Healthy Options managed care for calendar year 2009. DSHS will also reduce the amount of growth assumed for Healthy Options managed care premiums in calendar years 2010-2011 to zero percent. The forecast assumed a 2.5 percent per year premium growth rate in 2010-2011.

Alien Emergency Medical care (DSHS Medical Assistance Payments)

In House: No cut

In Senate: Funding is reduced for non-emergent services provided to individuals otherwise eligible for Medicaid but for their citizenship status. Services are retained for renal dialysis, cancer-related treatment, and other services that are approved under federal Medicaid definitions for emergency services.

Conference: Funding is reduced for non-emergent services provided to individuals otherwise eligible for Medicaid but for their citizenship status. Services are retained for renal dialysis, cancer-related treatment, and other services that are approved under federal Medicaid definitions for emergency services.

Health Insurance Partnership elimination (Health Care Authority)

In House: Funding for the Health Insurance Partnership is eliminated for the 2009-11 biennium. The Health Insurance Partnership provides a subsidy to the employees of certain small businesses that mostly employ low-wage workers.

In Senate: The Health Insurance Partnership was created during the 2007 legislative session as a public-private partnership to promote small employers' participation in funding health care for their employees. Both low-income and non-low income employees and their dependents were to receive coverage, but most of the state costs would have come from subsidies for low-income workers and their dependents. Enrollment in the Partnership is delayed until no earlier than January 2011 contingent upon sufficient state or federal funding for the program.

Conference: Funding is reduced for non-emergent services provided to individuals otherwise eligible for Medicaid but for their citizenship status. Services are retained for renal dialysis, cancer-related treatment, and other services that are approved under federal Medicaid definitions for emergency services.

Pediatric rate decrease (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will reduce rates for pediatric service providers. These providers received a 48 percent rate increase in the prior biennium.

In Senate: In the 2007 legislative session, pediatric office visit rates were increased by 48 percent or to 90 percent of the Uniform Medical Plan (UMP) rate. This rate increase is reduced from a 48 percent increase to a 15 percent increase, effective July 2009 for fee-for-service providers and January 2010 for managed care providers.

Conference: The Department of Social and Health Services will reduce rates for pediatric service providers. These providers received a 48 percent rate increase in the prior biennium.

Reduce Federally Qualified Health Centers for children in Healthy Options (DSHS Medical Assistance Payments)

In House: Funding is reduced for enhancement payments made to Federally-Qualified Health Clinics (FQHC) and Rural Health Clinics (RHC). FQHCs and RHCs receive enhancement payments from DSHS and the managed care plans for all of the Healthy Options clients that clinics serve. This adjustment is driven by federal audit findings that Washington's enhancement payments are too large.

In Senate: The Healthy Options enhanced payment rate for Federally Qualified Health Centers (FQHCs) is updated in response to a CMS audit in 2006, and savings are achieved because the prior payment method resulted in overpayments.

Conference: Funding is reduced for enhancement payments made to Federally-Qualified Health Clinics (FQHC) and Rural Health Clinics (RHC). FQHCs and RHCs receive enhancement payments from the Department of Social and Health Services and the managed care plans for all of the Healthy Options clients that clinics serve. This adjustment is driven by federal audit findings that Washington's enhancement payments are too large.

Reduce Inpatient Hospital Services (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will reduce rates for inpatient hospital services. Psychiatric hospitals, critical access hospitals, and hospitals with level one trauma centers are excluded.

In Senate: Inpatient hospital expenditures are reduced by approximately five percent of total expenditures for the 2009-11 biennium, and the department will adjust rates in order to meet this target.

Conference: The Department of Social and Health Services (DSHS) will reduce inpatient and outpatient hospital expenditures, and DSHS will adjust rates in order to meet this target. In determining the level of reductions needed, DSHS will include services paid under fee-for-service, managed care, and certified public expenditure payment methods in its calculations. These reductions will not apply to payments for psychiatric inpatient services or payments to critical access hospitals.

Reduce Outpatient Hospital Services (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will reduce rates for outpatient hospital services. Psychiatric hospitals, critical access hospitals, and hospitals with level one trauma centers are excluded.

In Senate: Outpatient hospital expenditures are reduced by approximately five percent of total expenditures for the 2009-11 biennium, and the department will adjust rates in order to meet this target.

Conference: The Department of Social and Health Services (DSHS) will reduce inpatient and outpatient hospital expenditures, and DSHS will adjust rates in order to meet this target. In determining the level of reductions needed, DSHS will include services paid under fee-for-service, managed care, and certified public expenditure payment methods in its calculations. These reductions will not apply to payments for psychiatric inpatient services or payments to critical access hospitals.

Reduce Pediatric interim care services

In House: Funding is reduced to reflect efficiencies in the delivery of pediatric interim care services. The efficiencies include, but are not limited to, increasing capacity for services in community-based settings.

In Senate: No cut

Conference: No cut

Move Hospitals to OPPS (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will move all reimbursement of outpatient hospital services to the Outpatient Prospective Payment System (OPPS), a diagnostic resource groups (DRG) methodology. This change would affect hospitals that are currently classified as Children's Hospitals and Specialty Hospitals. Critical Access Hospitals would not be affected.

In Senate: Savings will be achieved by shifting all reimbursement of outpatient hospital services to the Outpatient Prospective Payment System (OPPS) methodology. Currently certain in-state hospitals are reimbursed using a ratio of cost-to-charges (RCC) methodology that is more costly than OPPS. The effected hospitals would include children's hospitals and specialty hospitals. Small rural hospitals are exempt from this change.

Conference: The Department of Social and Health Services (DSHS) will move all reimbursement of outpatient hospital services to the Outpatient Prospective Payment System (OPPS), a diagnostic resource groups (DRG) methodology. This change would affect hospitals that are currently classified as Children's Hospitals and Specialty Hospitals. Critical Access Hospitals will not be affected. In determining the level of reductions needed, DSHS will include services paid under fee-for-service and managed care payment methods in its calculations.

Equalize rates paid for child births (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will adjust the rates for natural and Caesarian-section deliveries to encourage natural deliveries. A marginally higher rate will be paid for natural deliveries and the Csection rate will be reduced, which yields savings on a per-payment basis.

In Senate: Savings will be achieved by adjusting hospital reimbursement rates for child birth so that the rate paid for C-section procedures without complications will be lowered to the rate paid for natural deliveries with complicating diagnoses

Conference: The Department of Social and Health Services will adjust the rates for natural and Caesarian-section deliveries to encourage natural deliveries. A marginally higher rate will be paid for natural deliveries and the Csection rate will be reduced, which yields savings on a per-payment basis.

Children's Mental Health (HB 1373; DSHS Mental Health)

In House: Funding is provided to maintain the expansion of mental health visits for children from 12 to 20 visits under Second Substitute House Bill No. 1373 (children's mental health), which removes the July 1, 2010, expiration date for the expansion.

In Senate: No cut

Conference: Funding is provided to maintain the expansion of mental health visits for children from 12 to 20 visits under Second Substitute House Bill No. 1373 (children's mental health), which removes the July 1, 2010, expiration date for the expansion.

Reduce Children's evidence-based practices (EBPs; DSHS Mental Health)

In House: Funding for children's mental health Evidence Based Practices (EBP) is reduced to more accurately reflect the actual dollar amounts spent and the number of children being served. These programs currently serve 148 high intensity children (unduplicated) per year. The reduction allows services to continue to the same number of children being served by these programs in FY 2009.

In Senate: No cut

Conference: Funding for children's mental health Evidence Based Practices (EBP) is reduced to more accurately reflect the actual dollar amounts spent and the number of children being served. These programs currently serve 148 high intensity children (unduplicated) per year. The reduction allows services to continue to the same number of children being served by these programs in FY 2009.

"Wraparound" Pilot Projects

In House: No cut

In Senate: Funding is discontinued for three projects originally funded in April 2008 to demonstrate improved methods for engaging families, mental health professionals, schools, and other child-serving agencies in coordinated service delivery to children at high risk of hospitalization or other out-of-home placement. The pilot sites in Cowlitz, Grays Harbor, and Skagit counties have to date received extensive technical assistance and training that may enable continued progress without additional state funding.

Conference: No cut

Funding shift for mental health block grants (DSHS Mental Health)

In House: Federal Block Grant funding will be used to offset Regional Support Network (RSN) expenditures that are funded with general fund state dollars.

In Senate: Federal funds will be used to cover core program expenditures, rather than for discretionary and demonstration projects.

Conference: Federal Block Grant funding will be used to offset Regional Support Network (RSN) expenditures that are funded with general fund state dollars.

Reduce non-Medicaid rates for RSNs (DSHS Mental Health)

In House: The "state-only" funding provided to Regional Support Networks (RSN) for services and individuals not eligible for the federal Medicaid program is reduced by approximately 9 percent. Spending for inpatient, crisis response, and residential services is largely non-discretionary. This reduction is roughly 20 percent to the remaining non-Medicaid expenditures which are primarily RSN and provider agency administration and outpatient services. Outpatient services to 10,000-15,000 non Medicaid clients will potentially be reduced.

In Senate: The "state-only" funding provided to Regional Support Networks (RSN) for services and individuals not eligible for the federal Medicaid program is reduced by a total of approximately 9 percent. The reduction is to be distributed among RSNs proportional to total state population.

Conference: The "state-only" funding provided to Regional Support Networks (RSN) for services and individuals not eligible for the federal Medicaid program is reduced by approximately 9 percent. Spending for inpatient, crisis response, and residential services is largely non-discretionary. This reduction is roughly 20 percent to the remaining non-Medicaid expenditures which are primarily RSN and provider agency administration and outpatient services. Outpatient services to 10,000-15,000 non Medicaid clients will potentially be reduced.

Reduce Medicaid rates for RSNs (DSHS Mental Health)

In House: The managed care rates paid to local Regional Support Networks (RSNs) for delivery of community mental health services under the state and federal Medicaid program are reduced by 3.4 percent below the higher rates that would otherwise be paid in the 2009-11 biennium. The department is directed to devise rate adjustment methods that will insure the reduction is distributed uniformly and equitably across all RSNs statewide. Such actions may include but are not limited to methods such as adjusting the "access to care" medical necessity standard so that persons with lower levels of need will no longer have access to community mental health services, and/or to as much service, as currently; improved utilization management for use of ongoing and/or expensive services; increased uniformity in provider payment rates; etc . The department is directed to report to the relevant legislative fiscal and policy committees at least 30 days prior to proceeding with the proposed method.

In Senate: The managed care rates paid to local Regional Support Networks (RSNs) for delivery of community mental health services under the state and federal Medicaid program are reduced by 3.5% below the higher rates that would otherwise be paid in 2009-11. The department is directed to devise rate adjustment methods that will insure the reduction is distributed uniformly and equitably across all RSNs statewide. Such actions may include but are not limited to adjusting care access

standards; improved utilization management of ongoing, recurring, and high-cost services; and increased uniformity in provider payment rates.

Conference: The managed care rates paid to local Regional Support Networks (RSNs) for delivery of community mental health services under the state and federal Medicaid program are reduced by 3.4 percent below the higher rates that would otherwise be paid in the 2009-11 biennium. The department is directed to devise rate adjustment methods that will insure the reduction is distributed uniformly and equitably across all RSNs statewide. Such actions may include but are not limited to methods such as adjusting the "access to care" medical necessity standard so that persons with lower levels of need will no longer have access to community mental health services, and/or to as much service, as currently; improved utilization management for use of ongoing and/or expensive services; increased uniformity in provider payment rates; etc . The department is directed to report to the relevant legislative fiscal and policy committees at least 30 days prior to proceeding with the proposed method.

Universal Purchase eliminated by July 2010 (Department of Health)

In House: The federal Vaccines for Children program purchases vaccines for children through age 18 who are uninsured, underinsured, Medicaid-eligible, Native American, or Alaska Native. The state has operated a "universal purchase" program to purchase vaccines for the rest of the child population of Washington at a discount through the federal government. State funding for the operation of a universal purchase program for immunizations is eliminated as of July 1, 2010. The Department is encouraged to seek private funds from insurers to continue the program in the future.

April 7, 2009 (update) – Adopted amendment ends Universal purchase program by May 1, 2009, while maintaining coverage for two vaccines, meningococcal and Tdap, which were slated for early elimination.

In Senate: Savings are achieved beginning July 2009 by eliminating universal vaccine coverage for the three most recently added vaccines to the Universal Vaccine for Children's program: human papilloma virus (HPV), rotavirus, and meningococcal vaccines. By July 2010, after one year of time for the provider community to transition to a non-universal vaccine program, state funds will no longer be provided to cover non-low income children's vaccinations. Washington State will transfer to "VFC + Underinsured" status which will allow federal Vaccines for Children (VFC) and 317 Direct Assistance (DA) funds to cover low-income children in Medicaid and other state-funded health care programs. The department will use existing 317 DA funds as well as those that come available per the American Recovery and Re-investment Act to insure continued coverage of those low income children who do not qualify for the VFC program.

Conference: Savings are achieved beginning July 2009 by eliminating universal vaccine coverage for the three most recently added vaccines to the Universal Vaccine for Children's program: human papilloma virus (HPV), rotavirus, and meningococcal vaccines. By July 2010, after one year of time for the provider community to transition to a non-universal vaccine program, state funds will no longer be provided to cover non-low income children's vaccinations. Washington State will transfer to "VFC + Underinsured" status which will allow federal Vaccines for Children (VFC) and 317 Direct Assistance (DA) funds to cover low-income children in Medicaid and other state-funded health care programs. The department will use existing 317 DA funds as well as those that come available per the American Recovery and Re-investment Act to insure continued coverage of those low-income children who do not qualify for the VFC program.

Early elimination of certain vaccines by July 1, 2009 (Department of Health)

In House: 1) **Eliminate HPV Vaccine Coverage** - The purchase of the Human Papillomavirus vaccine as a part of the state's universal purchase program for immunizations will be discontinued as of July 1, 2009. The vaccine will continue to be available to children covered by the Vaccines for Children program; 2) **Eliminate Meningococcal Vaccine** - The purchase of the meningococcal vaccine as a part of the state's universal purchase program for immunizations will be discontinued as of July 1, 2009. The vaccine will continue to be available to children covered by the Vaccines for Children program.; 3) **Eliminate Tdap Vaccine** - The purchase of the tetanus and diphtheria toxoids and acellular pertussis vaccine as a part of the state's universal purchase program for immunizations will be discontinued as of July 1, 2009. The vaccine will continue to be available to children covered by the Vaccines for Children program.

April 7, 2009 (update) – Adopted amendment maintains coverage for meningococcal and Tdap vaccines for the remainder of the Universal Purchase program

In Senate: Refer to above, "Universal Purchase eliminated by July 2010"

Conference: Refer to above, "Universal Purchase eliminated by July 2010"

Eliminate Family Planning Nurses in CSOs

In House: No cut

In Senate: No cut

Conference: No cut

Eliminate Family Planning supplies

In House: No cut

In Senate: No cut

Conference: No cut

Reduce state family planning grants (Department of Health)

In House: Funding provided in the 2007-09 biennium for family planning grants is reduced by 10-percent in FY 2010 and eliminated in FY 2011. The grants were intended to increase capacity for DOH-funded family planning clinics for non-DSHS eligible clients. The funding added more clients as well as coverage of sexually-transmitted disease testing.

April 7, 2009 update - Amendment adopted in H. Ways & Means clarifies that funding for family planning grants are eliminated for FY 2011 in the expectation that federal funds will become available; if not, the state intends to provide funding at FY 2010 levels

In Senate: Enhanced funding provided during the 2007-09 biennium for family planning clinics and local health jurisdictions to provide family planning services to non-Medicaid eligible clients is reduced by ten percent.

Conference: Funding provided in the 2007-09 biennium for family planning grants is reduced by 10 percent in FY 2010 and eliminated in FY 2011. The grants were intended to increase capacity for DOH-funded family planning clinics for non-DSHS eligible clients. The funding added more clients as well as coverage of sexually-transmitted disease testing.

Reduce Public Health funding (Department of Health)

1. Reduce Public Health enhancement

In House: In the 2007-09 biennial budget, \$20 million was provided to local health jurisdictions to be spent on core public health functions of statewide significance as defined in Chapter 259, Laws of 2007 (E2SSB 5930). Funding for those purposes is eliminated.

In Senate: Funding provided in accordance with Chapter 259, Laws of 2007 (E2SSB 5930) to enhance local public health is reduced by 20 percent.

Conference: In the 2007-09 biennial budget, \$20 million was provided to local health jurisdictions to be spent on core public health functions of statewide significance as defined in Chapter 259, Laws of 2007 (E2SSB 5930). Funding for those purposes is decreased.

2. Shift Public Health Funding

In House: Approximately 40 percent of the funds distributed to local governments will come from the Public Health Services Account. This account is anticipated to receive revenues from fee increases on health practitioner licenses, birth and death certificates, and restaurant inspections.

In Senate: No cut

Conference: No cut

Dental services reductions (DSHS Medical Assistance Payments)

In House: Funding is eliminated for a 2007-09 biennium expansion of dental services for adults and children, specifically in the area of endodontics, or root canal therapy. Services were restored for adults, and a rate increase was provided for children's endodontics.

In Senate: The department is directed to reduce dental expenditures by approximately six percent of total expenditures during the 2009-11 biennium. These reductions will prioritize rolling back some of the dental rate increases provided during the 2007 legislative session and measures to control utilization rather than terminating any dental services.

Conference: The Department of Social and Health Services will reduce dental expenditures. These reductions will prioritize rolling back some of the dental rate increases provided during the 2007 legislative session and measures to control utilization rather than terminating any dental services.

Eliminate cord blood pilot project (Department of Health)

In House: Funding for increasing cord blood collection activities is eliminated. The funding had been provided in the 2008 supplemental budget to support a pilot project to expand cord blood collection practices in Eastern Washington to increase diversity in the cord blood banking system.

In Senate: Funding first provided in the 2008 supplemental budget to support a pilot project to expand cord blood collection practices to increase diversity in the cord blood banking system is eliminated.

Conference: Funding for increasing cord blood collection activities is eliminated. The funding had been provided in the 2008 supplemental budget to support a pilot project to expand cord blood collection practices in Eastern Washington to increase diversity in the cord blood banking system.

Eliminate lead poisoning screenings (Department of Health)

In House: Funding for education and screening activities related to elevated blood lead levels is eliminated. The program provides public service announcements, information pamphlets, and early identification of persons at risk of having elevated blood lead levels, including the systematic screening of children under age six.

In Senate: Funding for education and screening activities related to elevated blood lead levels, particularly in children under six, is eliminated.

Conference: Funding for education and screening activities related to elevated blood lead levels is eliminated. The program provides public service announcements, information pamphlets, and early identification of persons at risk of having elevated blood lead levels, including the systematic screening of children under age six.

Eliminate rare blood and marrow collection program (Department of Health)

In House: Funding first provided in the 2008 supplemental budget to increase outreach efforts to achieve a more ethnically diverse blood and bone marrow supply is eliminated.

In Senate: Funding first provided in the 2008 supplemental budget to increase outreach efforts to achieve a more ethnically diverse blood and bone marrow supply is eliminated.

Conference: Funding first provided in the 2008 supplemental budget to increase outreach efforts to achieve a more ethnically diverse blood and bone marrow supply is eliminated.

Eliminate early hearing screening surveillance and tracking for Infants (Department of Health)

In House: Funding provided in the 2008 supplemental budget to replace federal funding for conducting hearing screening surveillance and tracking for infants is eliminated. The funding has also provided technical assistance to hospitals and providers. The program will continue to have \$300,000 of federal funding for the biennium.

April 7, 2009 update – Accepted amendment put \$325,000 into this program, reducing the cut of \$650,000 in state funds to \$325,000.

In Senate: No cut

Conference: No cut

Enhanced match for pregnancy services (DSHS Medical Assistance Payments)

In House: Eligibility for pregnant women who do not cooperate with the Department's efforts to establish their citizenship status will be terminated. The State Children's Health Insurance Program will reimburse for maternity coverage for undocumented citizens.

In Senate: Approximately 200 pregnant women on the Medicaid caseload who cannot verify citizenship will be transferred to the non-citizen pregnant program which receives enhanced federal match.

Conference: Eligibility for pregnant women who do not cooperate with the Department's efforts to establish their citizenship status will be terminated. The State Children's Health Insurance Program will reimburse for maternity coverage for undocumented citizens.

Eliminate Foster Care Nurse hotline (DSHS Medical Assistance Payments)

In House: Funding is eliminated for a 24-hour nurse hotline that provides access for foster parents to medical consultation and advice to assist them with emerging medical issues for children in their care.

In Senate: No cut

Conference: **Governor-Directed 1% Cut** - In October 2008, Governor Gregoire asked agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium. This reduction includes the elimination of a foster care nurse hotline, chronic care management contracts, and pilot projects for improving access to dental care for seniors and providing in-home care for asthmatic children.

Eliminate Foster Care Health pilot (DSHS Medical Assistance Payments)

In House: Funding is eliminated for the Foster Care Health Care Pilot, which serves approximately 2,000 children in foster care. The Center for Foster Care Health Services provides care coordination services and gathers, organizes, and maintains individual health histories of children in its care.

In Senate: Funding is eliminated for the implementation of the Center for Foster Care Health Services pilot project, which sought to provide care coordination services and maintain individual health histories for approximately 2,000 children in foster care.

Conference: Funding is eliminated for the Foster Care Health Care Pilot, which serves approximately 2,000 children in foster care. The Center for Foster Care Health Services provides care coordination services and gathers, organizes, and maintains individual health histories of children in its care.

Eliminate Medicaid asthma in-home pilot

In House: Funding is eliminated for an asthma pilot project that had trained community health workers visit Medicaid-eligible children in their homes to identify and reduce exposure to asthma triggers, improve client self-management skills, improve the administration of medications, and coordinate client care with primary care and specialty providers.

In Senate: No cut

Conference: No cut

Control brand-named drug costs (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will reduce reimbursement for brand-name single-source drugs to 16 percent less than the Average Wholesale Price (AWP). Currently, the Health and Recovery Services Administration (HRSA) pays 14 percent less than AWP for these drugs.

In Senate: Reimbursement for brand-name single-source drugs is reduced to 20 percent less than Average Wholesale Price (AWP). Currently, the Health and Recovery Services Administration (HRSA) pays 14 percent less than AWP for these drugs.

Conference: No cut

Emphasize use of generic drugs (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services (DSHS) will emphasize the use of generic drugs over brand-name drugs in situations where generic drug alternatives exist with a goal of increasing the generic fill rate by up to 20 percent.

In Senate: The department will emphasize the use of generic drugs over brand-name drugs via multiple strategies. Pursuant to ESSB 5892, limited restrictions will be placed on the dispense as written parameters for prescribers who endorse the Prescription Drug List (PDL). Other strategies include limiting off-label usage and promoting generic drugs as the first course of treatment. The Senate budget assumes that the department will achieve a 10 percent increase in generic utilization in FY 2010 and achieve a 20 percent increase in FY 2011. However, if 20 percent generic utilization is not achieved by July 2010, the department is directed to stop paying Medicare Part D co-pays in order to achieve the assumed savings from going to 20 percent generic utilization in FY 2011. The Senate budget funds the additional staff required to achieve these savings as specified in ESSB 5892.

Conference: The Department of Social and Health Services (DSHS) will emphasize the use of generic drugs over brand-name drugs with the goal of increasing the generic drug utilization rate by 20 percentage points. DSHS will evaluate the reimbursement amount based on Average Wholesale Price (AWP), but DSHS will not reduce reimbursement for single-source brand-name drugs beyond 16 percent less than AWP. Pursuant to Engrossed Substitute Senate Bill 5892 (state purchased health care), DSHS will impose limited restrictions on the dispense as written parameters for prescribers who endorse the Prescription Drug List (PDL). Other strategies include limiting off-label usage and promoting generic drugs as the first course of treatment. Funding is provided for the additional staff required to achieve these savings.

Reduce over-the-counter drugs (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will stop paying for selected over-the-counter drugs and supplies

In Senate: Savings will be achieved by eliminating reimbursement for selected Over-the-Counter (OTC) drugs.

Conference: The Department of Social and Health Services will stop paying for selected over-the-counter drugs and supplies.

Deportation of non-citizen offenders (Department of Corrections)

In House: No cut

In Senate: Savings attributed to deporting all non-citizen drug and property offenders, consistent with the provisions of Substitute House Bill 2188 (illegal alien offenders). The proposal assumes that all qualifying non-citizen offenders are deported in fiscal year 2010 and that qualifying newly sentenced non-citizen offenders are deported as soon as they come to prison.

Conference: Funding is reduced to reflect savings attributed to deporting all non-citizen drug and property offenders, consistent with the provisions of Engrossed Senate Bill 6183 (illegal alien offenders).

Suspend medical home collaborative project (Department of Health)

In House: No cut

In Senate: Funding provided in accordance with Chapter 295, Laws of 2008 (E2SHB 2549) to establish a medical home collaborative pilot project is suspended for the 2009-11 biennium.

Conference: Funding provided in accordance with Chapter 295, Laws of 2008 (E2SHB 2549) to establish a medical home collaborative pilot project is suspended for the 2009-11 biennium.

Federal Funding Assumed in House and Senate budgets

Federal Medicaid Assistance Percentage (FMAP; DSHS Medical Assistance Payments)

In House: The federal medical assistance percentage (FMAP) is the share of the costs of Medicaid services that the federal government bears. Under the American Recovery and Reinvestment Act, the average FMAP for FY 2010 is forecasted to grow from 50.33 percent to 62.94 percent. In FY 2011, FMAP is forecasted to grow from 50.12 percent to 56.53 percent.

In Senate: The American Recovery and Reinvestment Act of 2009 (ARRA) provides a temporary increase in the state's Federal Medicaid Assistance Percentage (FMAP). This increased federal revenue is expected to be roughly \$1.8 billion for Medicaid FMAP-eligible payments, of which over \$1 billion will be for services provided under the Medical Assistance Administration from FY 2009 through FY 2011.

Conference: The federal medical assistance percentage (FMAP) is the share of the costs of Medicaid services that the federal government bears. Under the American Recovery and Reinvestment Act, the average FMAP for FY 2010 is forecasted to grow from 50.33 percent to 62.94 percent. In FY 2011, FMAP is forecasted to grow from 50.12 percent to 56.53 percent.

TANF Contingency Fund (DSHS Economic Services Administration)

In House: Washington State qualifies for Temporary Assistance for Needy Families (TANF) contingency funds. Receipt of these funds are based on the state's high utilization of the Supplemental Nutrition Assistance Program (also known as Food Stamps) and increased TANF caseload. A portion of the contingency funds are provided through the American Recovery and Reinvestment Act (ARRA) of 2009.

In Senate: As part of the federal American Recovery and Reinvestment Act of 2009, the state is anticipated to receive an additional \$46,702,000 in Temporary Assistance for Needy Families (TANF) emergency contingency funds. The state is also expected to receive \$76,000,000 in federal fiscal year 2010 from the pre-stimulus contingency fund. Funding is provided for increased caseloads and TANF related expenditures.

Conference: Washington State qualifies for Temporary Assistance for Needy Families (TANF) contingency funds. Receipt of these funds are based on the state's high utilization of the Supplemental Nutrition Assistance Program (also known as Food Stamps) and increased TANF caseload. A portion of the contingency funds are provided through the American Recovery and Reinvestment Act (ARRA) of 2009.

Enhanced CHIP Match (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will receive reimbursement for children in families between 133-200 percent of the federal poverty level at the enhanced federal matching rate under the federal Children's Health Insurance Program Reauthorization Act of 2009.

In Senate: The recently passed federal Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), provides enhanced Title XXI match (\$2 federal for every \$1 state) for children from 133 to 200 percent of the federal poverty level currently on the Medicaid program which typically reimburses \$1 federal for \$1 state. Previously Washington State was able to

receive enhanced Title XXI federal match for children between 150 and 200 percent of the federal poverty level, but only up to 20 percent of the state's State Children's Health Insurance Program (SCHIP) allotment.

Conference: The Department of Social and Health Services will receive reimbursement for children in families between 133-200 percent of the federal poverty level at the enhanced federal matching rate under the federal Children's Health Insurance Program Reauthorization Act of 2009.

Federal Vaccine funding (Department of Health)

In House: The Department is authorized to spend funding received from the federal government for vaccines to certain populations or for vaccines not covered by the state's vaccine program.

In Senate: No cut

Conference: **Vaccine Program Transition** - Savings are achieved beginning July 2009 by eliminating universal vaccine coverage for the three most recently added vaccines to the Universal Vaccine for Children's program: human papilloma virus (HPV), rotavirus, and meningococcal vaccines. By July 2010, after one year of time for the provider community to transition to a non-universal vaccine program, state funds will no longer be provided to cover non-low income children's vaccinations. Washington State will transfer to "VFC + Underinsured" status which will allow federal Vaccines for Children (VFC) and 317 Direct Assistance (DA) funds to cover low-income children in Medicaid and other state-funded health care programs. The department will use existing 317 DA funds as well as those that come available per the American Recovery and Re-investment Act to insure continued coverage of those low-income children who do not qualify for the VFC program.

CHIP Match for legal immigrant children (DSHS Medical Assistance Payments)

In House: The federal Children's Health Insurance Program Reauthorization Act of 2009 removes the prohibition on Medicaid and Children's Health Insurance Program eligibility for legal immigrant children and pregnant women during their first five years in the United States, so Washington will now receive federal matching funds for this population.

In Senate: The federal Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) allows for Medicaid match for legal immigrants who would otherwise be eligible for Medicaid but have resided in the country for five years or less. Savings will be achieved through receipt of federal Medicaid match for approximately 3,600 legal immigrants residing on the Children's Health Program (CHP) which is currently almost 90 percent state funded.

Conference: The federal Children's Health Insurance Program Reauthorization Act of 2009 removes the prohibition on Medicaid and Children's Health Insurance Program eligibility for legal immigrant children and pregnant women during their first five years in the United States, so Washington will now receive federal matching funds for this population.

Claim FMAP for Transportation administration (DSHS Medical Assistance Payments)

In House: The Department of Social and Health Services will request reimbursement for contracted administration of transportation services at the standard federal medical assistance percentage instead of the lower administrative matching rate.

In Senate: Reimbursement for contracted administration of transportation services will be at the standard federal medical assistance percentage (FMAP) instead of the lower administrative FMAP. Additional savings from this change are reflected in the federal economic stimulus package FMAP item.

Conference: The Department of Social and Health Services will request reimbursement for contracted administration of transportation services at the standard federal medical assistance percentage instead of the lower administrative matching rate.

Federal COBRA Subsidy (Health Care Authority)

In House: The Health Care Authority will administer the 65 percent subsidy offered by the federal government enhancing the Consolidated Omnibus Reconciliation Act (COBRA) extended health care benefits available to Public Employees' Benefits Board subscribers laid off between September 2008 and December 2009.

In Senate: Funding is provided for the management of the federal subsidy program for COBRA health benefits.

Conference: The Health Care Authority will administer the 65 percent subsidy offered by the federal government enhancing the Consolidated Omnibus Reconciliation Act (COBRA) extended health care benefits available to Public Employees' Benefits Board subscribers laid off between September 2008 and December 2009.

Interpreter services (DSHS Medical Assistance Payments)

In House: The federal Children's Health Insurance Program Reauthorization Act of 2009 provides an enhanced matching rate of 75 percent in Medicaid and the Children's Health Insurance Program (CHIP) for translation and interpretation services for families for whom English is not the primary language.

In Senate: The federal Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) allows for a 75 percent federal match for interpreter services. The savings reflected in this item represent the difference between the federal stimulus package temporary enhanced federal match and the 75 percent match. The difference between the regular FMAP and the federal stimulus FMAP is reflected in the federal economic stimulus package item.

Conference: The federal Children's Health Insurance Program Reauthorization Act of 2009 provides an enhanced matching rate of 75 percent in Medicaid and the Children's Health Insurance Program (CHIP) for translation and interpretation services for families for whom English is not the primary language.

For more information, please contact Lan Nguyen at (206) 324-0340 x15 or Lan@childrensalliance.org.