



STATE OF WASHINGTON
WASHINGTON STATE BOARD OF HEALTH

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January 14, 2009

TO: Washington State Board of Health Members
FROM: Craig McLaughlin, Executive Director
SUBJECT: PREVIEW OF 2009 LEGISLATIVE SESSION

Background and Summary

The purpose of this agenda item is to update the State Board of Health about what it might expect during the 2009 legislative session, a 105-day session that began January 12. It is intended to provide some context for the next agenda item—proposed adoption of a Board Statement on Possible Legislative Issues for the 2009 session.

The most significant development since the last meeting was the December 18 release of Governor Christine Gregoire's proposed budget. The Governor had to close a \$5.7 billion revenue gap and produced a budget that spared very little. I sent Board members a summary shortly after the budget came out. That information is repeated in the discussion section below.

Budgetary issues are expected to dominate the session agenda (even more so if the budget shortfall grows, as many expect). Legislative leaders have asked that members be cautious about introducing legislation. There are, however, several areas around which we can expect there to be significant policy discussions. These include:

- Education policy (basic education, school construction, and health reform)
- Preventing trauma and mental illness, especially during early childhood
- Environmental health regulation (septic systems, food code, group B water, schools)
- Immunizations, including efforts to tighten philosophical exemption language
- The health of children in school settings and riding in cars with smokers
- Health care reform, including universal catastrophic coverage
- Safe disposal of prescription pain medication and other pharmaceuticals

At today's meeting, I will share the most current information I have available.

Recommended Board Action

None.

Discussion

Governor Gregoire's budget

On December 18, the Governor released her proposed budget for the 2009-11 biennium. She has said this budget is meant to be a starting point for discussions over the next several months. Her office also released a proposed supplemental budget intended to close the revenue gap between now and the end of the current biennium on June 30.

The Governor has proposed no new taxes. She is recommending a freeze on salaries for all state employees and teachers. She is directing state agencies to continue existing cuts. While there are no specific cuts to the Board, we would be expected to continue to contribute to DOH efforts to meet its targets for agency reductions.

One general approach across agencies has been to hold off on or roll back programs created by the 2008 Legislature—"last in, first out." For DOH, these include cord blood collection, lead poison screening, colorectal cancer screening, rare blood and marrow collection, senior falls prevention program, and hearing intervention follow-up, as well as the elimination of \$1 million in additional state funds for family planning activities. Implementation of Initiative 1029 provisions concerning training for home care workers will be delayed two years.

State support for local health jurisdictions will be maintained at current levels (including the \$20 million added in the current biennium).

There are, however, proposed reductions for public health programs. Most notably, the Governor's budget would have the state discontinue purchasing vaccines for all children through the federal government by July 1, 2010. Instead, it would obtain vaccines only for those 600,000 or so children who qualify for the federally subsidized Vaccines for Children Program (in the language of vaccine policy, we would go from being a universal purchase state to a VFC-only state). This would save almost \$50 million.

Other cuts include reductions in technical assistance to local health for drug lab cleanup, administrative support for the women and infant nutritional program, and state funding for Group B drinking water programs.

In terms of health insurance access, Basic Health would be cut by 42%. Rather than cut enrollment proportionally, the Governor has instructed the Health Care Authority to consider a benefit redesign (Basic Health lite). Health care for the General Assistance-Unemployable program would be eliminated. Plans to extend eligibility for Apple Health kids coverage from 250% to 300% of the federal poverty level will be put on hold. To help shore up the safety net, \$40 million will be funneled to the community clinics. Rates paid to hospitals, managed care companies, and nearly every kind of provider will be cut.

Policy issues

Issues the Legislature may take up related to the Board's work include:

- **Education Financing:** The Legislature will take up the recommendations of the Joint Task Force on Basic Education Finance, the Interim Legislative Task Force on Comprehensive School Health Reform and the Joint Legislative Task Force on School Construction Funding.
- **Children's Well-Being:** There continues to be an interest in doing more to prevent early childhood trauma that contributes to social, emotional and behavioral problems in children. There may be legislation to create a "prevention council" even as the Governor's budget eliminates funding for the Family Policy Council and the Council for Children and Families.
- **Environmental Health:** The school environmental health and safety rule is only one of the Board rules that have been of concern to legislators. Other issues include the frequency of inspections for on-site sewage systems, state approval of products for remediating failed drainfields, and a food code requirement that refrigerators for high-risk foods maintain 41 degrees or below. There has been interest in the Group B water system rules at the same time that the Governor has proposed eliminating all state funding for the program.
- **Immunizations:** The Washington State Medical Association and the Washington Chapter of the American Academy of Pediatrics are crafting legislation to address philosophical exemptions. A Washington Health Foundation draft bill would require parents to certify that they have read federal Vaccine Information Sheets before claiming an exemption. Health officers have also discussed statutory changes to lower the exemption rate. The Children's Health Improvement System may recommend provider incentives to improve rates (though the Governor's budget would cut reimbursements in many areas). There may also be more legislation about vaccine safety, including thimerosal and alleged autism risks.
- **Children's Health:** There are a variety of proposals for school-based interventions to promote children's health, including more support for Safe Routes to School, Coordinated School Health, school advisory councils, and recess and physical education minimum requirements.
- **Smoking in Cars:** Some version of last year's bill to ban smoking in cars with children is likely to be introduced this session and is more likely to pass in a non-election year.
- **Disposal of Pharmaceuticals:** The Board supported the pilot disposal program, which has now ended. Legislation to provide for better disposal of pharmaceuticals is likely. One proposal would hold manufacturers responsible for the costs of operating a take-back program.
- **Health Reform:** The Office of the Insurance Commissioner has been shopping a proposal to have everyone in the state automatically covered for catastrophic health insurance that also pays for a basic set of preventive services. Private insurance would fill the gap.