

# **Cover All Kids Health Insurance for All Children**

Pennsylvania's Success  
Story – How Can It Help  
Your State?



# Background

- Strong Medicaid and CHIP programs
- Dept. of Insurance Study
  - 92% of Pennsylvanians (more than nine in ten), have some type of health care coverage.
  - 96% children in the State have health insurance.
  - 133,000 children (about 4 percent of all children) are uninsured.
- New Governor with commitment to health care

# Pennsylvania's Cover All Kids

- **Expands CHIP coverage to families above 200% of FPIG**
- 200 – 250% of poverty (up to \$50,000 a year for a family of four) will pay about 25% of the premium = \$38 per month, per child.
- 250 – 275% of poverty (up to \$55,000 a year for a family of four) will pay about 35% of the premium = \$53 per month, per child.
- 275 – 300% of poverty (up to \$60,000 a year for a family of four) will pay 40% of the premium = about \$60 per month, per child.

# Families above 300% of poverty

May purchase coverage for their children at the state's cost for coverage = \$150 per month, per child

## **IF THEY ARE UNABLE TO AFFORD HEALTH INSURANCE BECAUSE:**

- The cost would exceed 10% of the family income or because the total cost for the child is 150% of the state's cost for coverage.
- OR
- They have been refused health insurance because a child or a member of the child's family has a pre-existing condition so coverage is not available for the child.

# Cost of Cover All Kids

Uses PA's \$179 million CHIP reserve plus Medicaid .55 cent match – in 2009-2010 when the reserve runs out will just have MA match for new CAK eligible children.

- By 2010 expect to cover half of current eligibles and all 23,000 new kids

# Opposition Arguments

- Dumping
- Why increase population when there are still eligible but uninsured children?
- The State shouldn't pay for rich people to have health insurance
- Non-citizens

# Dumping

Cover All Kids has a six-month go-bare period for children in families with incomes above 200% of the federal poverty line. Unless:

The child is two years of age or less;

The child has lost coverage because a family member lost their job;

The child is moving from another public insurance program.

- What employer would want the bad PR of having folks know they dumped kids and made them wait 6 months for the State to pick up the tab? Certainly newspapers throughout the Commonwealth would write a story about this if it happened.

# Why increase eligibility when there are still eligible but uninsured children?

- 6% of children eligible for Medical Assistance are not enrolled. 21% of children eligible for free CHIP are not enrolled
- **But 67% of children eligible for reduced-cost CHIP currently are not enrolled.**
- A 2001 study showed 50% of parents of eligible but uninsured children did not know they were eligible for CHIP or MA.

COVER ALL KIDS – ONE MESSAGE FOR ALL FAMILIES,  
“YOU’RE CHILD CAN GET HEALTH INSURANCE!”

## State shouldn't pay for rich people to have health insurance

- We pay for uninsured children!
  - Uncompensated care in PA was estimated at \$1.4 billion in 2005.
- The state will not pay for families over 300% of poverty. They will just offer them the state's negotiated price.

## Undocumented Non-citizens

- PA did not attempt to cover non-citizens
  - Knew it was not winnable

Continues to be an issue

# Potential pitfalls of covering all kids

- Individual mandates - If you don't sign up for a plan, you could become ineligible to get a job and enroll your child in school, or face tax penalties.
- Health savings accounts
- No controls on premiums

# Important messages

- Bipartisan support for SCHIP
- Covering all kids will increase current eligibles enrollment
- Keep all simplifications that have been instituted already
- Premiums cannot be too high or families will not join
  - Make it as easy as possible to pay premiums
- There is near universal agreement that covering children is important
  - Voting issue