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While other states expand SCHIP eligibility, Kansas waits

By **Dave Ranney**

KHI News Service

TOPEKA, June 2 — Starting this week, children in Louisiana are eligible for state-funded health insurance if their families' incomes fall below 250 percent of the federal poverty guideline — \$44,000 for a three-person household.

In Kansas, eligibility won't reach the 250-percent threshold for another year, at least.

Modest-income parents in Louisiana have access to state-run health insurance for their children. Their Kansas counterparts do not.

"This is Kansas — we like to think we're a progressive state, that we're leading the pack when it comes to health care reform. But, come on, we're not," said Corrie Edwards, executive director at the Kansas Health Consumer Coalition.

"The fact that Louisiana — a state that doesn't see itself leading the pack — is ahead of us is an embarrassment," Edwards said.

Last month, Kansas legislators agreed to expand the state's health insurance program, HealthWave, to include children in households with incomes up to 225 percent of the poverty in fiscal year 2009; 250 percent in fiscal 2010.

The expansions, however, hinge on Congress and the next president increasing State Children's Health Insurance Program (SCHIP) spending.

Congress isn't expected to vote on the increase until March 2009.

'Hole in the bucket'

Louisiana raised its SCHIP eligibility to 300 percent of poverty last year but then lowered the threshold to 250 to comply with new federal restrictions. The expansion took effect June 1.

"So there you go," Edwards said, "Louisiana is ahead of us."

In Louisiana, health officials hope to insure an additional 10,000 to 15,000 children in the coming year.

"We've been pre-enrolling kids," said Ruth Kennedy, who oversees LaCHIP, Louisiana's SCHIP program.

"What we've found is that more than three-fourths of these kids had, at one time or another, been on either Medicaid or SCHIP," Kennedy said. "What we're finding out is when a parent got a raise that bumped them over 200 percent, they still weren't able to get employer-sponsored insurance, so the child went from having coverage to no coverage. This is what I call the new hole in the bucket."

When Kansas' eligibility reaches 225 percent of poverty, Kansas Health Policy Authority expects to insure an additional 3,300 children.

Expansions common

In January, Kansas was one of 22 states with eligibility capped at 200 percent of poverty, according to a state-by-state survey coordinated by the Center for Children and Families at Georgetown University.

Twenty states and the District of Columbia covered children in households between 201 percent and 300 percent of poverty. Nine states were below 200 percent.

“Wisconsin is covering kids up to 300 percent of poverty, said Center for Children and Families Executive Director Cindy Mann. “They got federal approval to go to 250; they’re using state funding to get to 300.”

Ohio, Oklahoma and Indiana are going to 250 percent sometime this year. Colorado, like Kansas, is expected to reach 225 percent next year.

“It’s interesting that with so many states being worried about their fiscal situations, we are seeing some expansions,” said Donna Cohen Ross, outreach director at the Center on Budget and Policy Priorities. “There would be more, I think, if it weren’t for the August 17th (2007) directive.”

The directive, issued by the Centers for Medicare and Medicaid Services said states could not expand their SCHIP eligibility beyond 250 percent unless they could show that 95 percent of the children below 200 percent were already enrolled.

Thirty governors, including Gov. Kathleen Sebelius, protested the directive without success.

“A number of states were ready to go to 300 percent but, because of the directive, they scaled back to 250 percent,” said Cohen Ross.

Iowa lawmakers have announced plans to increase the state’s SCHIP eligibility from 200 percent to 300 percent, effective July 1, 2009 — with or without an increase in federal support.

“At this point, if we can’t get the federal funding, we’ll do the expansion with all state dollars,” said Anita Smith, Chief of the Bureau of Medical Supports at the Iowa Department of Human Services.

“Now, that may change — we have another (legislative session) before it takes effect,” Smith said. “But as things now stand, we have the authority to go to 300 percent. There was a lot of support in this year’s legislature for health care reform, particularly when it came to covering more children.”

Not an entitlement

In Kansas, legislators have told the health policy authority not to go to 225 percent unless the federal government expands its participation.

“We can’t expand without more (federal) money,” said Andy Allison, deputy director at the health policy authority.

The state’s latest health reform law — [House Substitute for Senate Bill 81](#) — prohibits the health policy authority from using a waiting list to balance its SCHIP budget. Instead, it would be expected to lower the eligibility threshold.

The law is clear: SCHIP is not an entitlement; if need be, children can be dropped from the program.

In Kansas, much of the debate over SCHIP expansion has focused on the propriety of the state providing something — health insurance, in this instance — that modest-income families should be able to buy on their own.

“I have a difficult time wanting to expand to 300 percent of poverty — for a family of four, that’s \$63,600 a year,” said Rep. Bob Bethell, R-Alden and chairman of the House Social Services Budget Committee.

“I just think that if a family of four is making that kind of money, they ought to be able to afford health insurance,” he said.

Other states have taken a different slant on the affordability issue, said Georgetown's Mann.

"No one is saying these families can't afford anything, they can certainly come up with a contribution," Mann said.

But at 300 percent of poverty, she said, many parents would be hard-pressed to afford health insurance for their children, if it weren't available through and subsidized by their employers.

She said parents who are self-employed or whose employers don't offer health insurance — small businesses, mostly — don't have access to insurance they can afford.

"It's not that they can't pay anything, it's that they can't pay the full amount," Mann said. "They need an affordable option."

In Louisiana last year, then-Gov. Kathleen Blanco argued that a 200-percent eligibility cap had the effect of punishing children when the parents got a raise or better job.

"That seemed to resonate," Kennedy said, noting the LaCHIP expansion bill passed the House and Senate unanimously. "There was absolutely no opposition."

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