

Covering your children: A primer on health care act

Landmark legislation will be phased in over five years, but many families will see changes as early as September

By KELLY BOTHUM • The News Journal • April 27, 2010

Mila Wells lost her job in June 2008, three months after her son, Brian Kelley, was diagnosed with type 1 diabetes at age 12.

She was able to maintain health insurance for the two of them through COBRA, a federal law that allows people to continue their group health coverage if they can pay the entire premium. But as the 18-month time limit for COBRA approached, Wells sought out an individual insurance policy.

Instead of getting the plan she expected, Wells was denied. The reason: Brian's diabetes was considered a pre-existing condition that the insurer used as grounds to exclude him.

Going without health insurance wasn't an option for Brian, who checks his blood sugar frequently and injects himself with insulin four times a day. Wells feared her only remaining option was to enroll Brian in an insurance plan that guaranteed coverage but had no limit on how much it could charge for premiums. What's more, it would cost \$1,200 a month to start, far more than the Milton woman could afford.

Fortunately, she didn't have to make that sacrifice. She found a new job with the Parent Information Center of Delaware and was able to add Brian to her insurance in January.

But she knows others aren't so lucky. That's why she's glad the Patient Protection and Affordable Care Act passed last month by the Congress and signed into law by President Barack Obama will prohibit insurers from excluding children with special health needs. The regulation goes into effect in September for families purchasing new health policies.

"I know there are people who are against [the health care act] but something had to be done," said Wells, who wrote letters to Rep. Mike Castle, R-Del., and Obama in support of health care reform.

Lifting the insurance exclusion for special needs children is one of the biggest changes to come from the landmark health care law, which will be phased in over five-plus years. Other changes in the law also will affect families with children. How exactly the changes will be implemented, however, is still being worked out, said Karyn Schwartz, senior policy analyst for the Henry J. Kaiser Family Foundation, a nonprofit foundation focusing on major U.S. health issues.

Here's a look at the some of those key family-related provisions, most of which are slated to go into effect later this year:

Young adults and insurance

For those in college, graduation traditionally has brought another transition -- removal from a parent's health insurance policy. But under a provision of the new law, young adults up to age 26

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can remain on a parent's policy if they don't have access to health insurance from an employer.

Young adults currently make up 28 percent of uninsured Americans, the largest percentage of those who go without coverage. As a group, they also are healthier than other age groups, which makes some more willing to gamble on their health to save money, especially if they don't have access to insurance through an employer.

But the opportunity to remain on a parent's plan may reduce the number who go without coverage, said Joan Alker, co-director of Georgetown University's Center for Children and Families, a nonpartisan policy and research center based in Washington.

"I think this provision really has resonance," Alker said.

There are still some questions about coverage that will remain until the regulations are developed by the government, Schwartz said. For instance, it's unclear how the program will operate if young adults live in a different state from their parents or if the young adult is married.

"It's possible they are trying to make this something that will reach a lot of people, but we can't say how it will work yet," she said.

Parents who choose to keep adult children on their policy will have to continue to get family health insurance coverage, which is typically more expensive.

Since insurance companies will be covering more people, they will likely pass that cost onto consumers. But since young adults are typically healthy, the expense should be minimal.

When it will happen? The provision goes into effect for all health policies issued after Sept. 23. But some health insurance companies, including United HealthCare, Humana, Aetna and WellPoint, have announced they are reworking policies in advance of that deadline to allow young adults who are no longer full-time students to remain on their parent's health plan. Insurance companies say they are making the move to prevent gaps in coverage

In Delaware, work is being done to change the state

code in order to be in compliance before the federal law goes into effect, said Linda Nemes, senior research analyst with the Delaware Insurance Department. Currently, unmarried children up to age 24 can be offered coverage through a parent's insurance if they are willing to pay the entire premium, Nemes said. If the changes to the state code aren't passed by Sept. 23, the federal law will supersede the state law.

Preventive health

Anyone who has children knows they are costly, especially when it comes to their health. Even with insurance, the co-pays for immunizations, vision tests and well-child check-ups can add up.

Under the health reform law, insurers issuing new policies must provide free coverage of recommended immunizations and preventive care for infants, children and teens. That means no co-pay for preventive health services that are intended to keep kids healthy and ward off problems in the future, Schwartz said. The purpose is to reduce barriers to access and needed health care.

"Particularly in this economy, \$30 co-pay for a visit can be a reason enough to delay care," Alker said. "If they're not subject to cost-sharing, it can have a big impact."

Ashia Cale is the outreach coordinator at Henrietta Johnson Medical Center in Wilmington. She thinks the focus on preventive care will make federally qualified health centers like Henrietta Johnson a

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The advertisement features the USA TODAY logo at the top left. Below it, the word "AutoPilot" is written in a large, bold, black font, with a blue airplane icon to its right. Underneath, a smartphone is shown displaying the app's interface, which includes a "USA TODAY Meeting" for Sep 21, 2009, a flight status for "A6 BNA to IAD Landed 09/21/2009 11:48 AM", and weather information for "Washington (AD) Partly Cloudy". To the right of the phone, the text reads "The new travel app for iPhone® and iPod touch®". Below this, it says "Presented by: Hampton" with the Hampton logo. At the bottom right, a blue button with white text says "SEE HOW IT WORKS »".

natural choice for many people who are new to health insurance. As part of the reform legislation, these health centers will receive \$11 billion in new funding to accommodate the nearly 20 million additional patients expected as a result.

"People look to us because we're in the community and we're a one-stop shop," Cale said.

When will it happen? Like the extension of coverage for young adults, this provision goes into effect for all individual and group policies enacted after Sept. 23. But provision applies to new policies, so those people with existing policies won't be exempt from co-pays for preventive health services, Schwartz said.

The preventive health recommendations for children will be developed by Bright Futures, an initiative by the American Academy of Pediatrics and the federal Health Resources and Services Administration. The plans also must cover at no cost services recommended by the United States Preventive Services Task Force, including screenings for cervical cancer and mammograms.

Strengthening CHIP

Cale thinks that as a result of the debate over health reform, more people are becoming aware of programs already in existence that can help with health insurance coverage. Last month, Henrietta Johnson helped connect 122 people to programs like Medicaid and Children's Health Insurance Program, or CHIP, that help with the cost of health coverage.

"If a single mom comes in with two kids and the mother says, 'No, I can't afford insurance,' I ask them, 'Do you know about CHIP? You pay a monthly premium and your kids are covered,'" she said. "Their reaction is like, 'What? Where do I sign up?' It gives me joy just seeing the look on their face."

Analysts call examples like this the "welcome mat effect" because people wind up discovering existing programs while learning about new ones. Although much has been made about how many Americans would be able to be covered by health insurance as a result of the reform, the truth is about two-thirds of kids already are eligible for Medicaid or CHIP, Alker said.

"Hopefully, the publicity will encourage some families to learn about the options available to them," she said.

Under the law, states are required to maintain eligibility levels for children's enrollment in Medicaid and CHIP until October 2019. The requirements remain for adults until 2014, when the new health exchanges are expected to be operational.

When will it happen? It already has. But states do have some flexibility when it comes to simplifying enrollment in Medicaid and CHIP, Alker said.

Cale said most of the clients she sees whose children qualify for CHIP pay a monthly fee ranging from \$10 to \$25. Their children's doctor visits and medications are fully covered. The only challenge to the program, she said, is that some families fall in and out of the program because they can't always afford the monthly fee. But once they pay, they are allowed back in.

Eliminating pre-existing exclusions

When Wells was denied for individual coverage because of her son's pre-existing health condition, she couldn't understand how someone would let a child with complicated health needs go without health insurance.

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"It's frustrating to see him denied because of something he can't help," she said. "He's got to have insulin. He can't not have it. Between the insulin and the supplies -- he needs two sets, one for home and one for school -- it can run into some big bucks."

Wells wasn't the only one. The health reform law passed last month includes a provision prohibiting insurance companies from denying a child health coverage for an existing condition. This includes the common practice of refusing to pay claims related to a pre-existing condition or denying coverage entirely based on a child's illness.

When will it happen? This provision operates on the same time frame as the others -- it's for new health policies secured after Sept. 23. The rules go into effect for adults in January 2014.

"It's really for kids who are newly insured or who have seen a gap in coverage," Alker said. "For example, is a parent in the family family lost their job or had a gap in coverage of more than 63 days or someone who tried to purchase a policy on the individual market."

Wells said she was reminded of the importance of health insurance when Brian wound up with a stomach virus a few weeks ago and had to go to the emergency room.

"If it was a typical kid, they would tell him to get fluids and rest," she said. "But because of his diabetes they gave him a bag of fluids and did blood tests to make sure he was OK. For him, it was a trip to the ER and another co-pay."

Contact Kelly Bothum at 324-2962 or
kbothum@delawareonline.com.



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Brian Kelley, 14, of Milton tests his blood sugar. Kelley is a type 1 diabetic. Before his mom found a new job, she was denied coverage for him. Brian Kelley's reading on a recent day was "very good." He has to give himself four insulin shots daily. (The News Journal/GARY EMEIGH)

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legislation will affect people with disabilities. For more information about the event or to reserve a seat, please contact Mary Thomas at 831-2940 or maryt@udel.edu by Friday.



Ashia Cale is an outreach coordinator for Henrietta Johnson Medical Center in Wilmington. Under the health care act, the center will receive government funding to accommodate new patients. (The News Journal/JENNIFER CORBETT)

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INFORMATION MEETING

People with disabilities have complex medical and support needs, from doctors and therapists to planning for long-term care.

But there often are limits on what private insurance will cover, leaving the remaining expenses to families. A report by the Henry J. Kaiser Family Foundation last year found that people with disabilities are more likely to be underinsured and have less access to long-term care.

The recent passage of the Patient Protection and Affordable Care Act will bring about changes in coverage over the next five years for people who have special needs.

To help explain how the law will affect people with disabilities and their families, the University of Delaware Center for Disability Studies is holding an information session on Tuesday, May 4 for families. The presentation will focus on how the health reform

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