

Tennessee Alone In Capping Child Enrollees

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TOM WILEMON | The Daily News

Tennessee is the only state in the union that has closed its federally sponsored insurance plan for children to new enrollees, according to the Center for Children and Families at Georgetown University's Health Policy Institute.

The state on Nov. 30 stopped taking applications for CoverKids, which is Tennessee's version of the State Children's Health Insurance Program (SCHIP). The program provides comprehensive health and dental coverage to children in families who do not qualify for Medicaid, but cannot afford private health insurance.

That number has increased with Tennessee's rising unemployment rate, which stands at 10.5 percent.

"Nearly all states are holding steady on their coverage of kids," said Jocelyn Guyer, co-executive director of the Center for Children and Families. "Actually about half of states are moving forward to cover additional children. What that reflects is that as bad a time as it is for state budgets, it's an even harder time for family budgets.

"States, even though they are really struggling financially, have been trying to find ways to help children and working families that are losing their jobs."

Other states have also proposed cutbacks to SCHIP services, she said, but Tennessee is the only one not accepting any more enrollees.

Cap, not trade

The Center for Children and Families has tracked how states have handed their SCHIP programs throughout the prolonged recession. It recently issued "Weathering the Storm," a report with data up to Sept. 1, and continues to monitor state activity.

"Tennessee is almost alone in capping its program," Guyer said. "Wyoming has also put a cap on its enrollments, but it's not close to reaching it yet, so Wyoming hasn't prevented any children from signing up yet. So it's more of a cap on paper than a cap in reality.

"California earlier this year shut down its enrollment, and then after a number of weeks their Legislature decided it wasn't good policy and it wasn't good politics. They found the money to open the program back up. So, I think at this point that Tennessee is the only state that is actually keeping children out of coverage due to a cap."

Tony Garr, the executive director of the Tennessee Health Care Campaign, criticized the state's decision. The state has announced that it is at capacity for CoverKids and the CoverTN program, which provides health coverage for the working uninsured.

"I can understand closing CoverTN because CoverTN is pure state dollars," Garr said.

"CoverKids has a three-to-one match. So for every 25 cents we put up, we get back 75 cents in return. That means our kids are going to be healthy."

Tough love

Garr called the halt on enrollment into the children's health plan a mistake and said TennCare has a reserve fund that could be tapped for SCHIP.

At this point, there is no plan to lift the cap, said Joe Burchfield, public information officer for CoverKids.

However, last week the board of directors of the state's high-risk health insurance plan, AccessTN, voted to approve a new policy allowing children with chronic and acute medical conditions to enroll in that program. The decision was made because of the CoverKids cap, said David Hilley, director of AccessTN.

This program has significant costs. Premiums for children will range from \$284 to \$410 per month, but assistance on the payments is available for families who earn less than \$75,000 a year.

Almost 44,000 children are enrolled in CoverKids. The program will open back up to new enrollees when the current number decreases, which is not likely to happen until the economy improves.

Burchfield, the public information officer for CoverKids, said he was not aware of any effort in the General Assembly to reverse the cap. He pointed out that Gov. Phil Bredesen until now has protected the program from state budget cuts. The program, however, has run out of state matching money as more children have come into it.

"For two years now, the governor has done what he calls 'hold harmless,'" Burchfield said. "He has held harmless CoverKids from the budget cuts that all the other departments and agencies have had to make – most recently 9 percent cuts. CoverKids has never been included in those cuts.

"He has continued to fund us at our beginning level, which has allowed us to enroll as many children as we have, which right now is just less than 44,000. When we get the enrollment report from November, we expect it to be a little higher."

Limited financing

The state coordinated an outreach program to sign up more children for the program throughout the year, such as setting up information booths during a free admission day at the Memphis Zoo last summer.

"There is no more money," Burchfield said. "We are trying to live within the budget we have been given by the governor and the General Assembly."

In regard to drawing money from a reserve fund, Burchfield pointed out that this money source is non-recurring.

"If you tap reserve funds this year and you grow the enrollment and the program as a result of using those reserve funds to increase your operating budget, what do you do next year when (you) don't have those reserve funds?" he said. "Those are non-recurring dollars. What you've done is you've pushed yourself out and then you've created a dead space."

Burchfield was not aware of any legislative efforts to identify additional sources of state revenue to match federal funding for the children's insurance program.

"We and the governor remain committed to this program," he said. "A couple of weeks ago, we held our budget hearing with the governor. He again held our budget harmless for CoverKids. We have been very fortunate in that there have been no cuts."

Burchfield predicted other states might join Tennessee in having to make difficult decisions. “There have been increased demands for programs like this because the populations they serve are working-class populations who have been hit very hard by the economy, either through job loss or reduced work hours or stagnant pay,” he said. “We have seen increased demand just as other states have seen increased demand. Other states are fighting difficult budget situations as well. While we may be the only one right now, I don’t think we will be the only one for long.”