



## Early Wins for Children on the One-Year Anniversary of Health Reform: Family Perspectives

by Martha Heberlein, Cathy Hope, and Jocelyn Guyer

### Introduction

March 23, 2011, marked the one-year anniversary of the signing of the Affordable Care Act (ACA). While many of the major provisions do not go into effect until January 2014, there have been early wins in health reform for children and their families. Children with cancer or other serious conditions can no longer be denied care because of annual or lifetime insurance limits; parents can keep college-age children on their family health insurance policies; and kids with new insurance plans can get the screenings and check-ups they need to stay healthy without out-of-pocket costs. But perhaps the most important win for children is the requirement that states maintain coverage in Medicaid and the Children's Health Insurance Program (CHIP) until broader reform is implemented. By providing stability in these critical programs for children, the Affordable Care Act has offered help to many families whose children are in need of affordable coverage options.

### Stability in Medicaid and CHIP

The stability protections (i.e., "maintenance-of-effort requirements") in the ACA are designed to ensure that states do not cut people off of coverage before broader health reform is implemented, as well as to sustain and strengthen the country's successful effort to provide affordable coverage to children through Medicaid and CHIP. They prevent states from adopting more restrictive eligibility rules and enrollment procedures than were in effect on March 23, 2010 for adults through 2014, and for children through 2019.<sup>1</sup> This assures that Medicaid and CHIP will remain available to families as health reform is being implemented, and that states cannot impose new paperwork barriers to enrolling in and renewing cover-

age. Without this requirement and related provisions included in the American Recovery and Reinvestment Act, a number of states might have scaled back on Medicaid or CHIP coverage over the past year in light of their fiscal problems.<sup>2</sup>

Real family stories show how Medicaid and CHIP play a vital role in covering children, a role that is now more important than ever as families seek to regain solid footing after turbulent economic times. They played such a role for the **Johnson family**. Cynthia Johnson's husband was laid off from his IT job when she was seven months pregnant, but she was able to enroll her newborn son in CHIP. When her husband secured a job a few years later, his employer plan capped the amount of expenses it would cover at \$600 per patient and did not cover their son's speech therapy, occupational therapy, and other services essential to his development. When her son was seven years old, Cynthia heard that Oregon's CHIP program had been expanded so she re-applied and her son was enrolled. Now her son has high-quality, affordable health care coverage that allows him to resume the speech therapy and OT he needs. "We are grateful that the CHIP reauthorization and the Affordable Care Act were passed so that our son can once again resume his necessary therapies which we were unable to obtain for him for the last couple of years while he was on our inadequate private health insurance plan," says Cynthia.

### Young Adult Coverage to Age 26

As a result of the ACA, most young adults up to age 26 can now qualify for coverage under a parent's policy. This means, for example, that as young adults graduate from college and begin looking for jobs, it will be easier and more affordable for them to get

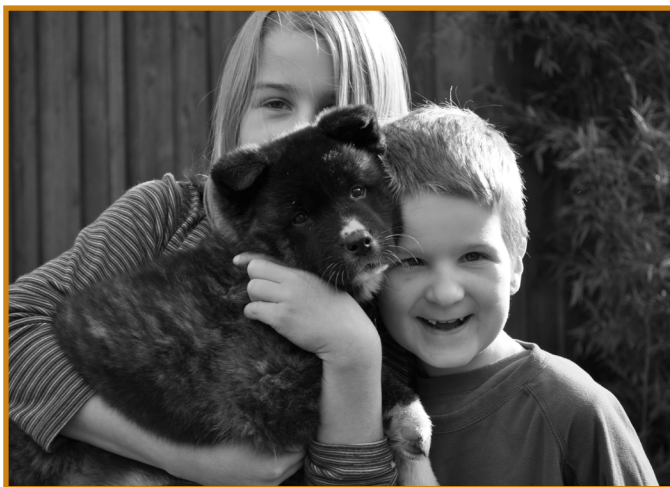
"We are grateful that the CHIP reauthorization and the Affordable Care Act were passed so that our son can once again resume his necessary therapies..."

-Cynthia Johnson, mother of a child in Oregon's CHIP program

insurance. With young adults representing 28 percent of the uninsured population, this provision provides an important new option for many families.<sup>3</sup>

### Covering Children with a Pre-Existing Condition

Health plans can no longer exclude or limit coverage for children based on a health problem or disability. For example, now a child with asthma who is on a parent's employer plan can no longer be denied coverage for services related to his or her condition. A number of states have taken steps to prevent insurers from leaving the child-only insurance market in response to this new protection. California, for example, passed legislation barring insurers from offering coverage in the individual market for five years if they discontinue child-only policies.<sup>4</sup> As a result, the ban on denying coverage to children with pre-existing conditions already is offering help to California resident, **Jennifer Lance**. Through her job at a local school district, Jennifer has been able to get health benefits for her children. However, due to funding cuts, she is now facing reduced hours and a loss of benefits. Born with a congenital heart defect, Jennifer's six-year-old son has been denied insurance coverage. Until she heard about the ban on denying coverage to children with pre-existing conditions, she was concerned that he would be without health insurance when they lost their employer-sponsored coverage. Now, Jennifer is relieved to know that she will be able to find coverage for her son.



The Lance Family

### Protection from Annual and Lifetime Limits

Insurance plans can no longer establish lifetime limits on essential benefits and cannot have re-

strictive annual limits. These added protections are especially important for families whose children have special health care needs, such as the **Chicoines** from Illinois. Angela Chicoine lost her husband a couple of years ago. While helping her three children cope with the loss, she also had to figure out how to meet their health care needs and financially support the family. When her twins were born, one of them, Emily, stopped breathing and is now a quadriplegic. She has been diagnosed with a seizure condition, cerebral palsy, and other disorders. Even though she is only ten years old, Emily has already hit a lifetime cap on one health insurance policy. While Angela is searching for affordable health insurance for her family, she can now rest easier knowing that in the future, Emily's care will no longer be subject to a lifetime cap.

### Preventive Care Without Cost Sharing

The ACA requires new insurance plans to provide preventive services without cost sharing. For example, families with new plans will no longer face co-insurance or co-payments for well-child visits, vision and hearing tests, various health and behavioral assessments, and developmental screenings. As Judith Palfrey, immediate past President of the American Academy of Pediatrics has written, "the importance of these services for children and young adults cannot be overstated. This [provision] is a significant investment in the health and future of all our children."<sup>5</sup>

### Looking Ahead

The Affordable Care Act already has delivered important wins for children and can deliver even bigger wins in the years to come. When 2nd Lieutenant **Lance Gates** was attending college between the end of his enlisted active duty assignment in the U.S. Marine Corps and his commissioning, he and his family were uninsured. His son, Brody, was born just two months before he left active duty three years ago. The Gates family decided that since they couldn't find affordable care for the whole family, they would just focus on getting Brody covered. "For two very unnerving weeks, Brody wasn't covered at all," said Laura. The family earned too much to be eligible for Medicaid or CHIP coverage, but Brody did qualify for the Kaiser Permanente Child Health Plan, which offers private coverage to California children in families earning up to 300 percent of the federal poverty level. A couple of years ago, when the Gates family decided to expand, Laura enrolled in a private insurance plan for herself. Seven weeks ago, she delivered another baby boy, Stetson,

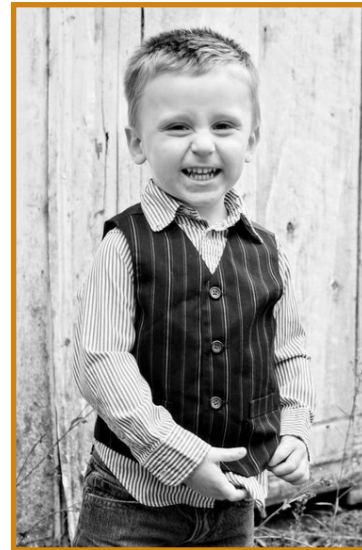
and enrolled him in the Child Health Plan with his older brother. The whole family will be eligible for TRICARE coverage when Lance goes back on active duty April 7th. When the Affordable Care Act is fully implemented, families like the Gates will have more affordable health care options available through state health exchanges and strengthened Medicaid and CHIP plans, no matter which state they happen to live in.

### Endnotes

1. For more information on state requirements for maintaining Medicaid and CHIP coverage, see Georgetown University Center for Children and Families and Center on Budget and Policy Priorities, "Holding the Line on Medicaid and CHIP: Key Questions and Answers about Health Care Reform's Maintenance-of-Effort Requirements" (March 26, 2010).
2. J. Guyer & M. Heberlein, "Eliminating Medicaid and CHIP Stability Provisions (MoE): What's at Stake for Children and Families," Georgetown University Center for Children and Families (February 23, 2011).
3. J. Holahan & G. Kenney, "Health Insurance Coverage of Young Adults: Issues and Broader Considerations," Urban Institute (June 2008).
4. A.B. 2244, 2011 Legislative Session (California, 2011).
5. American Academy of Pediatrics, "HHS Interim Rule on Preventive Services: 'Bright Futures' for All Children", Press Statement (July 15, 2010).



Stetson Gates



Brody Gates

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