

# Health Coverage for Children: What's Next?

Presentation by  
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*for*

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October 3, 2006

# Political Landscape for Children's Health Coverage

## On the one hand...

- SCHIP scheduled for reauthorization in 2007
- Candidates gearing up for elections in 2008

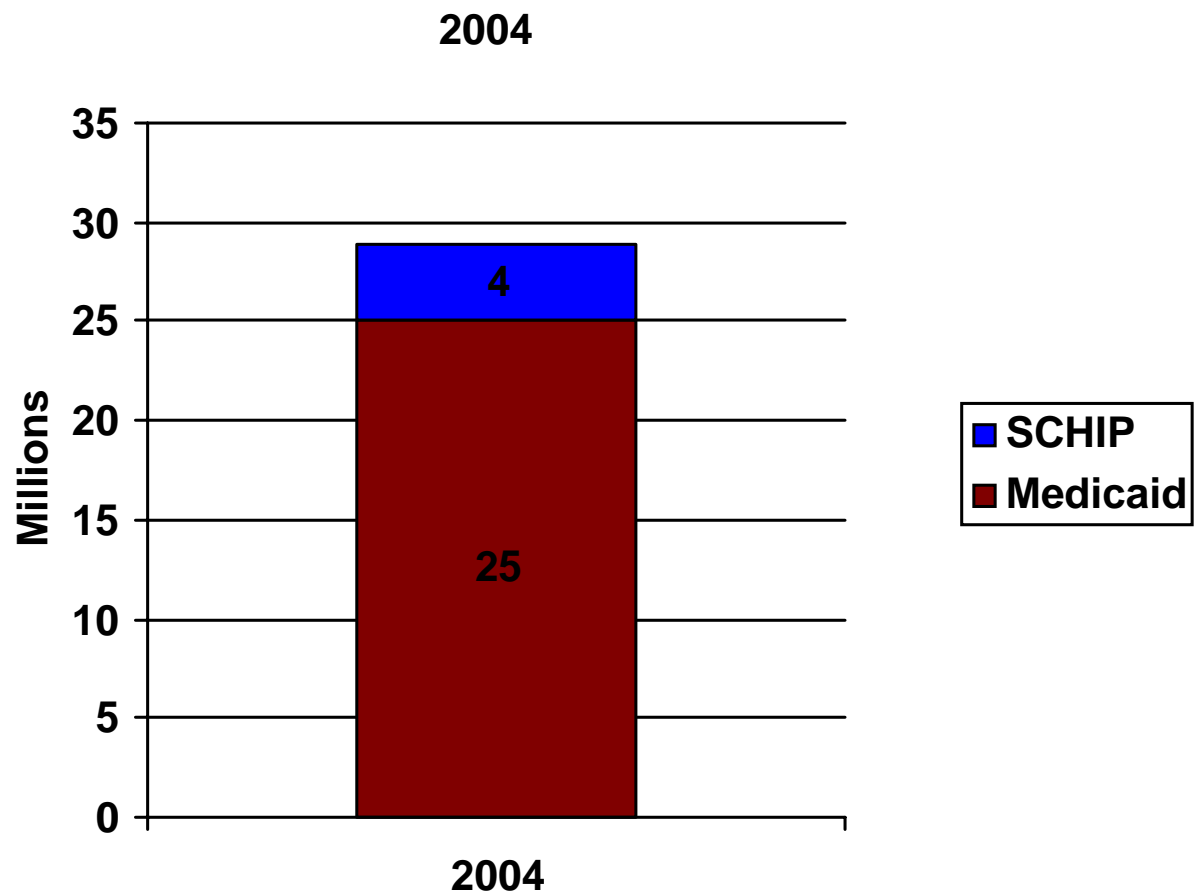
## On the other hand...

- DRA implementation cuts health care for some children
- Medicaid Commission report due Dec. 2006
- Federal budget deficits & Administration goals suggest Medicaid cuts debated again in 2007

# Children's Health Coverage

- SCHIP established in 1997, started in 1998, authorized through 2007
- Sits “on top” of Medicaid, the primary public health insurance program for children
- SCHIP catalyzed state activity to get uninsured children covered

# Number of Children Covered by Medicaid and SCHIP

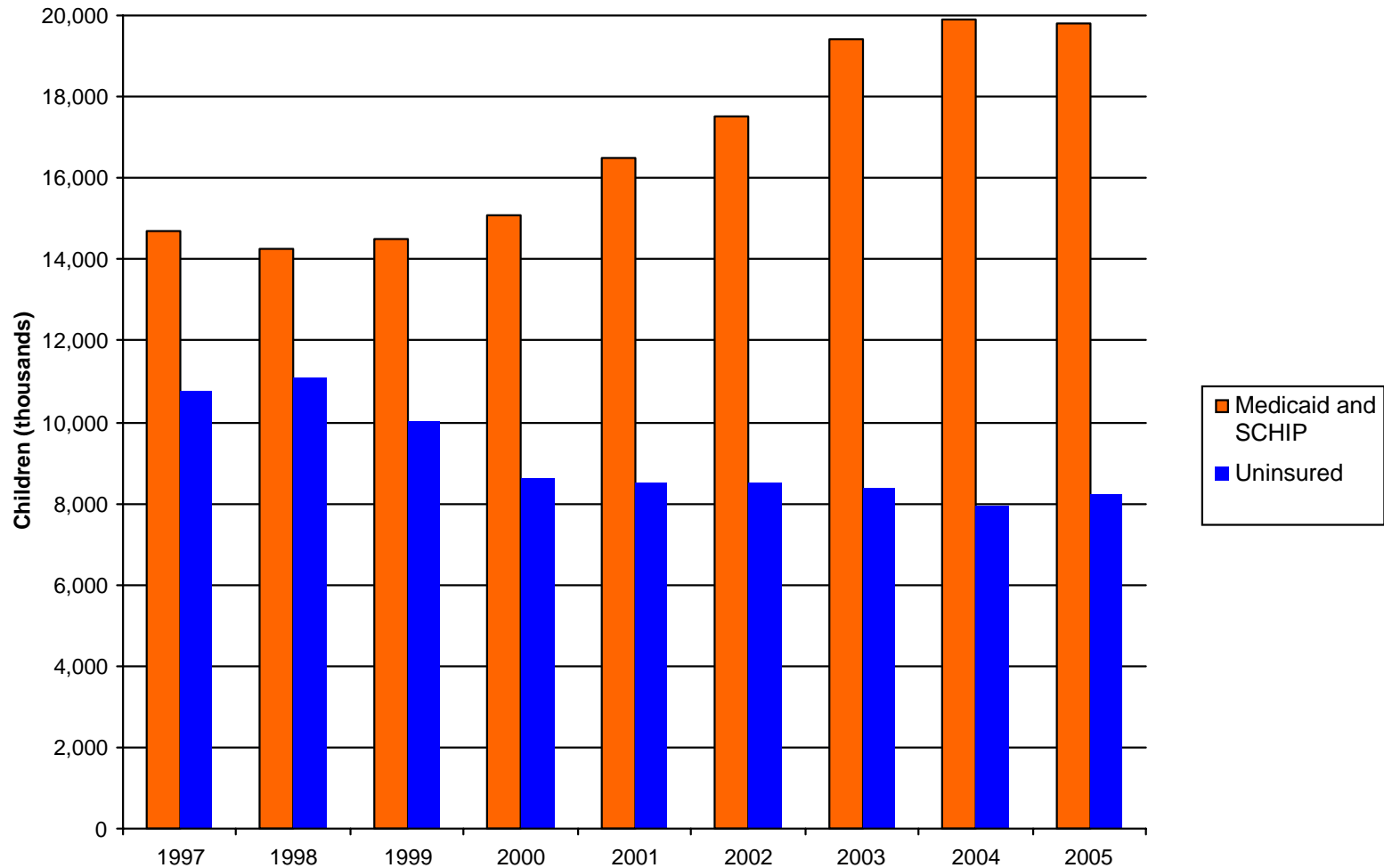


Source: Data compiled by Health Management Associates from state enrollment reports, published by the Kaiser Commission on Medicaid and Uninsured, 2006.

# SCHIP Reauthorization: Opportunities for Review

- How far have we come
- What lessons have we learned
- How can children's health coverage be improved in the future?

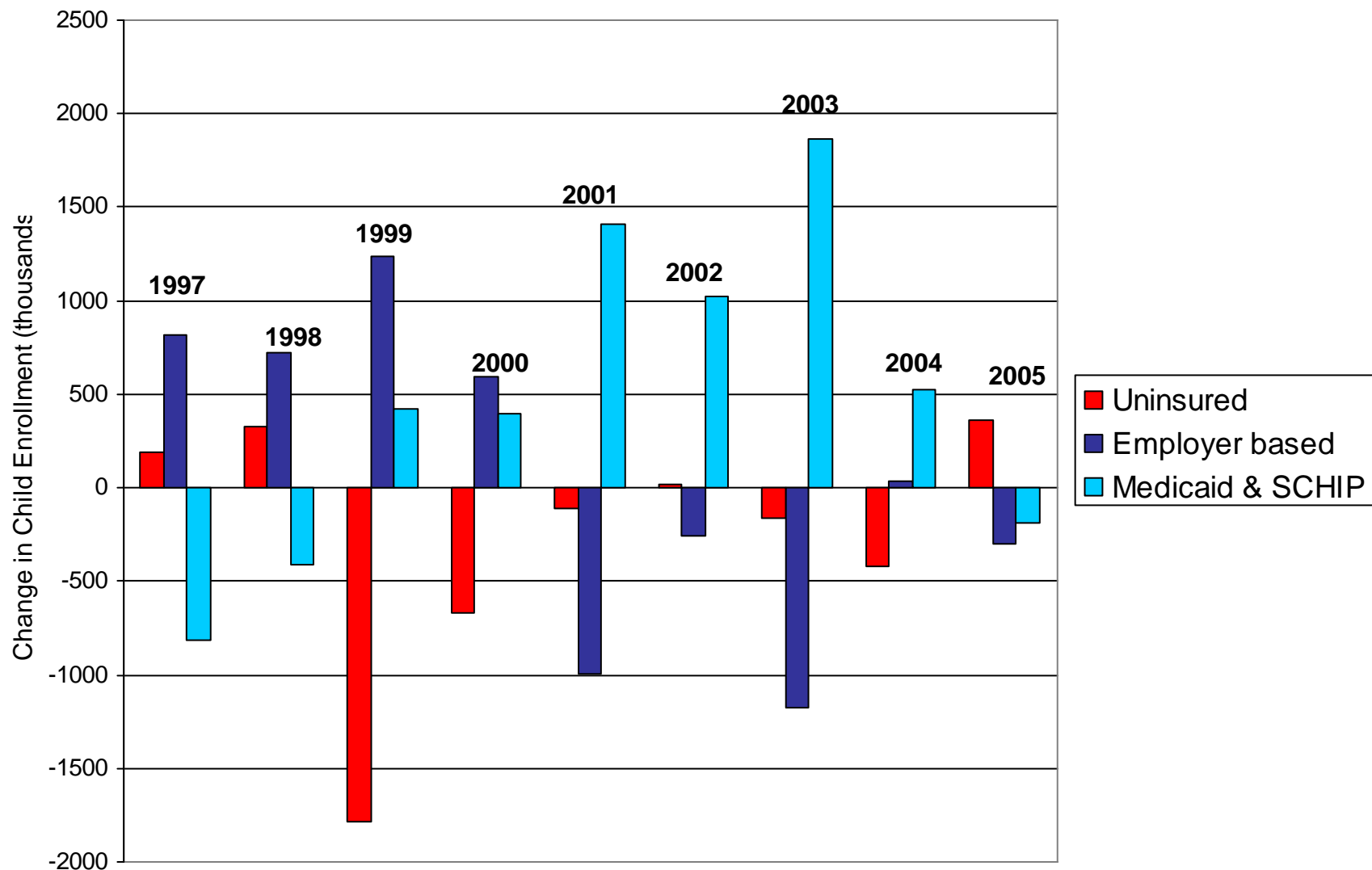
# The number of uninsured children has declined since SCHIP began...



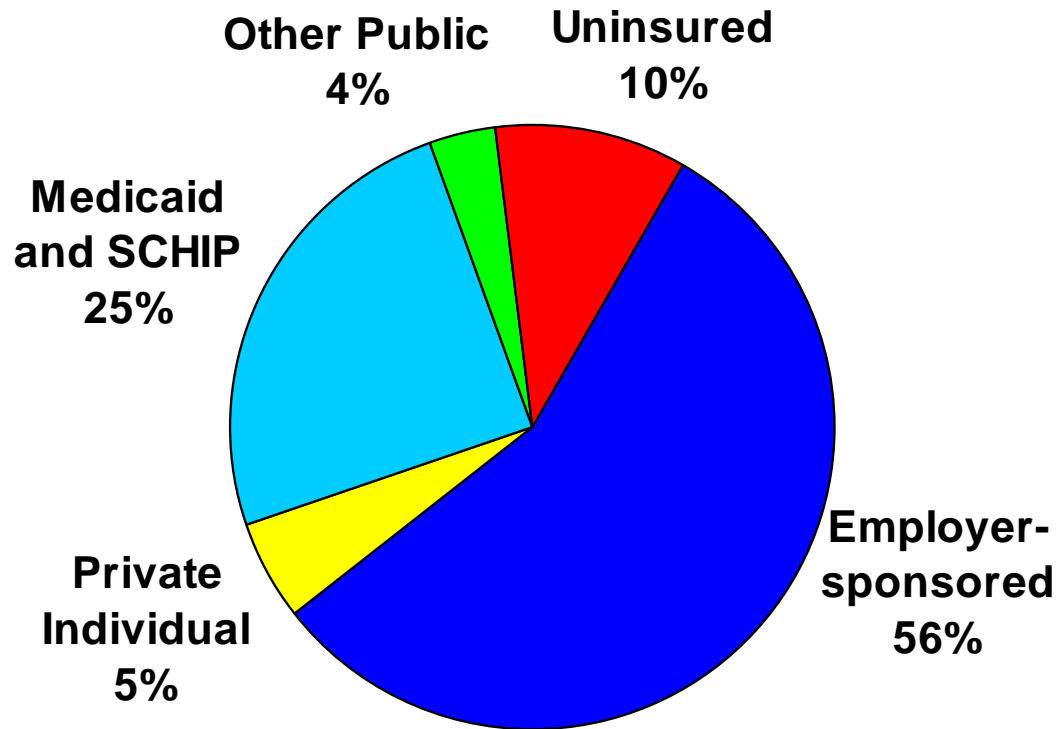
Source: US Census Bureau Current Population Survey, 2006

Note: Includes children ages 0-17

# Change in Child Enrollment/Uninsured, 1997-2005



...but many children are still uninsured.



Source: US Census Bureau Current Population Survey, 2006

Note: Includes children ages 0-17

# Most uninsured children are eligible today

	Medicaid eligible	SCHIP eligible	<b>Total eligible for public coverage</b>	Not eligible
All uninsured children (9 million)	49%	19%	<b>68%</b>	32%
Low-income uninsured children (6.5 million)	62%	22%	<b>84%</b>	16%

# Who are NY's uninsured children?

- 441,000 uninsured children in NY—5% of all uninsured children in the US
- 9.1% of children uninsured in NY vs. 11.6% nationally
- 25% are black, 25% are Hispanic, and 12% are of other races or ethnicities
- 86% live in working families
- 69% live in families with incomes below 200% of the federal poverty level
- 8% of children under age 6 are uninsured

# Is New York doing all it can to get children enrolled?

Medicaid

Child Health Plus

- Joint Medicaid/SCHIP application
- No face-to-face interview required
- No asset test
- Presumptive eligibility
- No verification of income, age, residency required
- 12-month continuous eligibility
- Self-declaration of income, age, resources
- Family coverage



# SCHIP Reauthorization

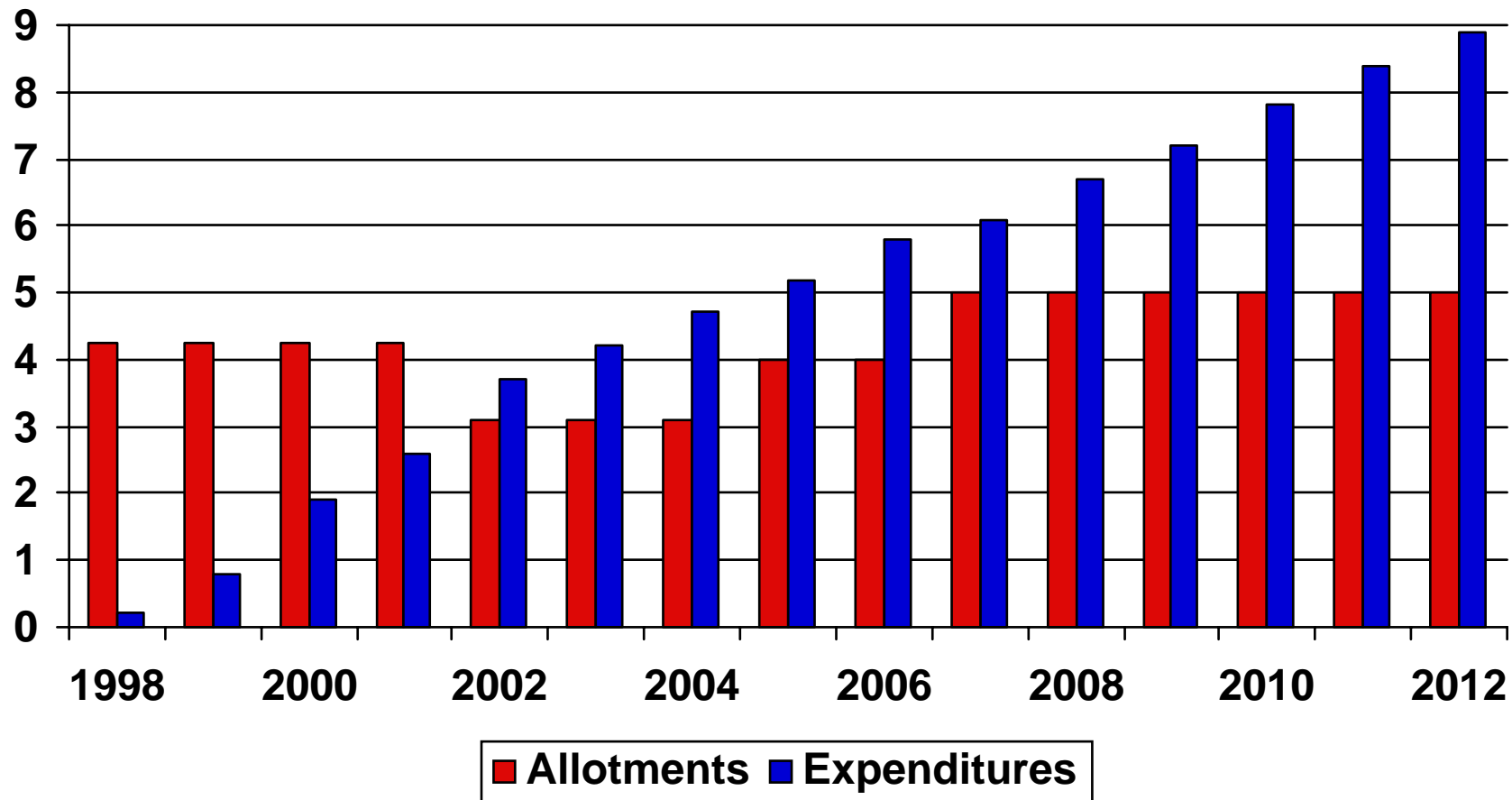
# SCHIP Reauthorization: Opportunities to Move Ahead

- Goals for advocates
  - Secure adequate funding to cover all eligible children
  - Encourage states to adopt outreach, enrollment, and retention policies to get more eligible children enrolled
  - Preserve Medicaid in the process; improvements to SCHIP shouldn't come at the expense of Medicaid

# SCHIP Financing in Reauthorization

- Current law: \$5 billion per year
- To maintain current enrollment: \$7.4 billion per year--total of \$12 billion over 5 years
- To close coverage gap: more than that
  
- Can't we just change the funding formula?
  - No, that won't do it. The Center on Budget and Policy Priorities estimates that perfect targeting of federal SCHIP funds would only reduce the funding gap by \$1.7 billion over 5 years

# States need more money than they'll have



# SCHIP Shortfalls in FY2007

- Unless Congress takes action, 17 or 18 states face shortfalls (\$890 million) in federal SCHIP funding in 2007
- Up to 610,000 children nationwide could lose coverage
- Congress did not act before recess; next opportunity is lame duck session after the elections

# Other Issues in SCHIP Reauthorization

- Who should SCHIP cover?
  - How high should income limit be?
  - Can states use SCHIP funds for adults?
  - What about states that had expanded coverage for children before SCHIP?
  - What about legal immigrants? State employees' children?
- What should coverage look like?
  - “flexibility” on benefit packages
  - Should SCHIP include HSAs, vouchers, tax credits?
  - What about that public/private partnership?

# Issues for Reauthorization (more)

- How do we reach those “hard to reach” kids?
  - Should the federal government pay for & conduct outreach?
  - Individual mandates?
- What about those Medicaid protections?
  - Should families be able to choose between Medicaid and SCHIP?
  - Where will the extra money that SCHIP needs come from?

# Current State Efforts to Expand Children's Coverage

# State efforts vary by:

- How many children they attempt to cover
- How they pay for the expanded coverage
- Which children are eligible for expanded coverage
- How they expand coverage (through Medicaid, SCHIP, or a totally new program)

# But, all five state examples have:

- A decent benefit package (SCHIP or comparable)
- No/low premiums
- No/low cost-sharing

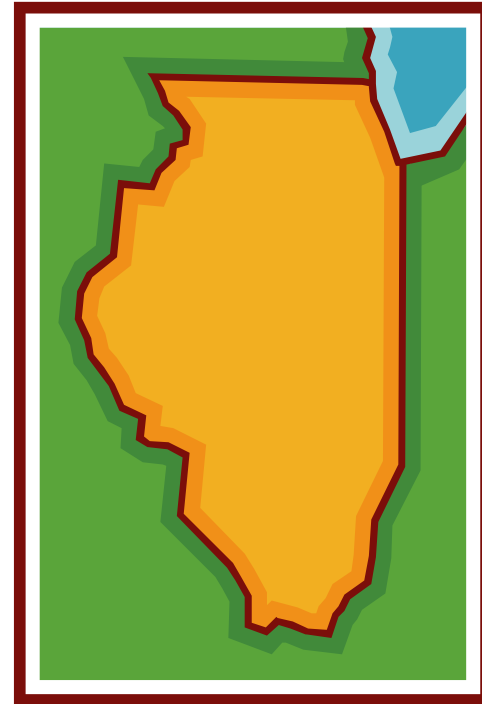
# California – Children’s Health Initiatives

- 1,368,999 children currently uninsured (13.5%)
- Children’s Health Initiatives/“Healthy Kids”
  - Began in Santa Clara County in 2001
  - 22 county-level programs (10 more pending) that cover children up to up to 400% of poverty (varies by county) who are ineligible for Medi-Cal or Healthy Families
  - Premiums \$5-\$20 per child per month, \$5-\$10 copays for some services
  - Funding is mix of local, state, and private dollars
  - Currently covers ~ 87,000 children



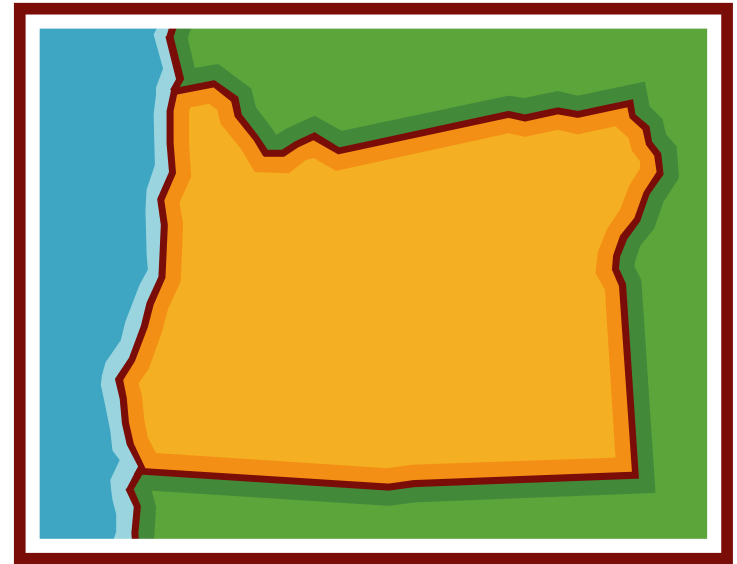
# Illinois – All Kids

- 376,332 children currently uninsured (11%)
- “All Kids” began July 1, 2006
  - Continue existing Medicaid/SCHIP coverage up to 200% of poverty
  - Allow buy-in for families with uninsured children above 200% with sliding scale premiums (\$15-\$300 per child per month)
- Expect 50,000 new enrollees in first year
- Cost: \$81 million for first year (\$44 million from state)



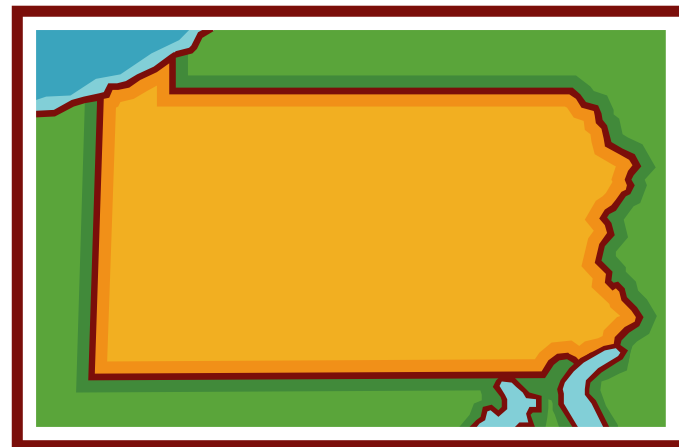
# Oregon – Healthy Kids

- 104,562 children currently uninsured (11.6 %)
- Governor Kulongoski's plan:
  - Increase SCHIP coverage up to 200% of poverty
  - Pooled private insurance with the SCHIP benefit package up to 350% of poverty with subsidized premiums (\$25-\$80 a month/family of four)
  - Allow participation for families with income above 350% of poverty with higher premiums (\$150-\$160 a month/family of four)
- Funded through increased tobacco tax
- Cost: up to an additional \$292 million/biennium



# Pennsylvania – Cover All Kids

- 280,831 kids currently uninsured (9.3%)
- “Cover All Kids”
  - SCHIP expansion
    - “subsidized SCHIP” expanded to 235-350% of poverty
    - Premiums \$23-\$33 per child per month and “modest” copays
    - “buy-in” option above 350%
  - Goal: cover 15,000 new kids in first 6 months
  - Cost: \$954,000 in first year



# Wisconsin – “BadgerCare Plus”

- 101,855 children uninsured (7.3%)
- Governor Doyle’s proposal
  - Merge existing Medicaid, BadgerCare (SCHIP) and Healthy Start into one program, “BadgerCare Plus”
  - Expand public coverage up to 300% of poverty with sliding scale premiums (\$10-\$60 per child per month)
  - Full-price buy-in option for children in families with income over 300% of poverty
- Expect to cover about 12,600 new children if implemented



# Children's Health Campaign

- Nationally, groups are working to make finishing the job of insuring America's children a national priority
- Families USA & many other groups launched the Children's Health Campaign in July
- Many activities planned for the coming year including:

# Children's Health Campaign (more)

- Petition to the President & Congress
- Children's essay contest
- Satellite town hall meetings in January
- Lobby day in February
- Check it out!

[www.childrenshealthcampaign.org](http://www.childrenshealthcampaign.org)

# Conclusion

- Thank you!
- Keep in touch:

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[www.familiesusa.org](http://www.familiesusa.org)

- Check the Medicaid Action Center for updates:  
<http://www.familiesusa.org/issues/medicaid/medicaid-action/>