



PA Election 2008 – Health Care and Uninsured Children

A Voice for Kids A Voice for Kids A Voice for Kids A Voice for Kids A Voice for Kids A Voice for Kids

Pennsylvania Partnerships for Children

Why It Matters

Health insurance coverage is essential to providing access to appropriate and necessary health care. According to the Pennsylvania Department of Insurance, 92 percent of Pennsylvanians have some type of health care coverage. The majority of coverage, 66 percent, is from private coverage.

Health insurance status is the single most important factor in determining whether or not a child will have access to health care. Providing health coverage to children improves access to health care thereby improves the health outcomes of children. Children who have health insurance are more likely to be immunized, receive regular check-ups and get prompt treatment for common childhood ailments, such as ear infections and asthma. Uninsured children are less likely to see a doctor on a regular basis and they are less likely to see a doctor when symptoms develop. Overall, the uninsured are more likely to be hospitalized for a preventable problem than the insured.

In addition, children who have health insurance generally have a relationship with a primary care physician. The insured are also less likely to use costly emergency room services for common childhood ailments. Children's health is also linked to their academic success. Because children with health insurance are more likely to avoid preventable childhood illnesses, they generally have better school attendance and better school performance.

Finally, the uninsured (both children and adults) cannot pay their entire medical bills. According to Families USA, uncompensated health care totaled \$43 billion in 2005. Pennsylvania's share of that amount was estimated at \$1.4 billion. Health insurance provides payment for medical services and reduces uncompensated care.

What Works

Approximately 96 percent of all children in the Commonwealth have health insurance. Pennsylvania was one of the first states in the nation to establish an insurance program for children in 1992, with the enactment of CHIP. Congress passed landmark legislation creating the State Children's Health Insurance Program (SCHIP) in 1997. SCHIP was modeled after the successful CHIP program in Pennsylvania.

Currently, about 1.17 million or about two out of every five Pennsylvania children are enrolled in Medical Assistance (MA-Pennsylvania's Medicaid program) or CHIP (July 2008 enrollment). The vast majority of these children, approximately 992,000, are enrolled in MA. CHIP enrollment is just over 174,000. Programs like CHIP and MA provide access to coverage to children whose families either do not have access to or cannot afford private coverage.

The Commonwealth finances CHIP and MA with both federal and state funds. About 55 cents of every dollar spent on MA in Pennsylvania comes from the federal government. Nearly 69 cents of every dollar spent on CHIP in Pennsylvania comes from the federal government. This strong state-federal partnership makes CHIP work. CHIP also features a strong public-private partnership as the program is administered by the Department of Insurance and coverage is handled by private contractors.

Of those children enrolled in CHIP, roughly 151,000 children are enrolled in Free CHIP (a family of four can earn up to \$42,400 and be eligible), while about 22,000 are enrolled in Low-Cost CHIP (a family of four can earn between \$42,400 and \$63,600 and be eligible) and nearly 1,500 children are enrolled in At-Cost CHIP (a family of four can earn more than \$63,600 and be eligible).

As its name implies, Free CHIP is available to qualifying children free of charge. Families whose children are enrolled in Low-cost CHIP contribute toward premiums and are responsible for co-pays. Families whose children are enrolled in At-Cost CHIP purchase coverage at the state's cost for coverage (no public funds are used) and are responsible for co-pays. In order to be eligible for Low-Cost and At-Cost CHIP, families must show that their child has not had coverage for the last six months, unless the child is two years of age or less and unless they need coverage due to job loss or moving from one public coverage program to another.

The Commonwealth has taken a number of positive steps to make public health coverage programs more accessible and easier to navigate for both consumers and administrators. Of interest, it has implemented a simplified common renewal form for MA and CHIP as well as literacy appropriate renewal notices for CHIP. Applications and renewals can be processed online or over the phone. In addition, the state's helpline issues reminder renewal calls.

Where Are We Now

Pennsylvania is a leader among states when it comes to children's health care. We were among the first in the nation to establish CHIP in 1992. And, we are among a select few states that make health coverage available to all children who do not have access to or cannot afford it.

CHIP and MA have been incredibly successful in Pennsylvania in filling the coverage gap for children. Unfortunately more work remains. According to the Pennsylvania Department of Insurance, approximately 133,500 children remain uninsured in the Commonwealth. Nationwide, about 9.4 million children under age 19 are uninsured. The number of uninsured children is unacceptable.

In addition merely providing coverage does not guarantee quality of care. Simply providing children with a card that says they have coverage is not sufficient; it is vital to ensure that a child's coverage can be used to access the full range of services necessary for healthy development.

It is important for those seeking office in the Pennsylvania General Assembly to know that Pennsylvania's CHIP law and the 2006 Cover All Kids CHIP expansion were passed with overwhelming bipartisan majorities. Governors and legislators from both major political parties worked hard on CHIP and they are proud of the unique and effective state-federal and public-private partnerships that are the program's cornerstones.

The 2006 Cover All Kids legislation that expanded CHIP was a well-balanced bill. It sought to expand access to coverage to all children in the Commonwealth, but it did so in a way that does not encourage crowd out of the private insurance market. Care was taken to impose for the first time a six-month go bare period for children over the age of two and to require premium cost sharing and co-pays for the first time. Enacted in November 2006, the Cover All Kids Act serves as a model for other states to make coverage available to uninsured children in a manner that does not harm private health coverage.

Since the implementation of the Cover All Kids CHIP expansion in March 2007, enrollment has grown by over 20,000 children. The enrollment gains have not come at the newer and higher income eligibility levels. In fact, nearly 60 percent of new enrollees were from lower income levels and were eligible for CHIP (based on their family income) prior to the Cover All Kids Expansion. This statistic bears out our contention that we made in 2006 that opening up the program to all levels of income would eliminate confusion as to eligibility and help more previously eligible children sign up for coverage.

The Pennsylvania Department of Insurance and its CHIP contractors (primarily Pennsylvania-based health insurers) are working well together to ensure that eligible children are enrolled across the Commonwealth. Together they and their community partners get the word out to local populations on the availability of coverage. The Department is also working to streamline administrative processes to keep Pennsylvania in the forefront for children's health care.

The Time Is Now

For nearly twenty years, Pennsylvania legislators have put partisan politics aside to create and enhance CHIP. The program is a model for the nation as a well-balanced approach to increasing access to health coverage while not crowding out private coverage. Those seeking office in the Pennsylvania General Assembly have an obligation to preserve the gains made with regard to children's access to health

coverage and to support efforts to build upon the gains to enroll more children whose families do not have access to or cannot afford private insurance. Furthermore, candidates should look beyond access to coverage and support efforts that ensure children receive high quality care that promotes their healthy development by assuring that every child has a medical home and access to health care providers that meet their full developmental needs. We respectfully urge all candidates for the Pennsylvania General Assembly to stand up for children and make children's health care a priority in their campaigns.