OBAMA-BIDEN TRANSITION PROJECT

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Children's Defense Fund

Health Coverage for All Children Campaign

October 2008

The Facts

- Nearly 9 million children in America—1 in 9—are uninsured. A child is born uninsured every 39 seconds.
- Almost 6 million of these uninsured children are eligible for health coverage under Medicaid or the State Children's Health Insurance Program (SCHIP) but are not enrolled; excessive enrollment barriers are often the cause.
- Children are subjected to the "lottery of geography"—whether and what kind of coverage and benefits they receive depends upon the state in which they live.
- Roughly 750,000 pregnant women are uninsured.
- Approximately 28,000 children die each year in America before their first birthday—ranking the U.S. 25th among 30 industrialized countries.
- Almost a quarter of two-year-olds are not fully immunized.
- The majority of uninsured children live in two-parent families:
    - Almost 90 percent have one parent who works.
    - Almost 90 percent are U.S. citizens.
- Health insurance premiums for families have risen more than three times as fast as wages since 2001 at the same time that fewer employers are providing coverage for employees.

Reversing the Facts

Guarantee Every Child and Pregnant Woman Comprehensive Health and Mental Health Coverage

Coverage Must Be *Affordable*: Establish a *national eligibility floor* for child health coverage of 300 percent of the federal poverty level, with graduated cost-sharing based on a family's income.

Benefits Must Be *Comprehensive*: Guarantee every child access to *all medically necessary* services now covered under Medicaid, known as Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT), which include hearing, mental health, dental and vision services, when needed. Children must have the testing and screening necessary for early identification and preventive treatment.

The System Must Be *Simple and Seamless*: To ensure children get enrolled and stay enrolled:

- Short, simple application forms must be uniformly used and barriers such as asset and resource tests must be eliminated.
- Automatic enrollment – Unless the parent declines enrollment, children identified as income eligible in other programs, such as the National School Lunch Program or food stamps, should be automatically enrolled in health coverage. Children's health coverage status must be checked at critical junctures: birth, school enrollment, health visits.
- Presumptive eligibility – An uninsured child should be presumed eligible for coverage when he or she sees a provider, rather than waiting until an application for enrollment is processed.
- 12-month continuous enrollment with automatic renewal – Children's coverage should be guaranteed for a full year regardless of family income changes.
- Self-declaration of income – States should verify a family's income electronically when possible rather than requiring the family to provide proof of income.
- Prohibit waiting lists, enrollment caps and other barriers that delay or limit enrollment.
- Ensure culturally sensitive outreach to inform families of benefits for which they are eligible.

***Pregnant Women* Must Have Coverage:** Pregnant women need health coverage throughout their pregnancy to ensure a healthy birth for the mother and the child and reduce the number of preterm and low-birthweight deliveries.

Real Access to *Services* Must be Ensured: Ensure that children with health coverage actually get medical services where and when they are needed by setting provider reimbursement rates at reasonable levels—at least 80 percent of commercial rates.

www.childrensdefense.org/healthychild

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Health Coverage for *All* Children and Pregnant Women *Now* – the Economic Advantage

It is imperative that children not only keep their health coverage during this recession, but it must be expanded to *all* children as part of our country's economic recovery plan as the need grows. Now is not the time for an incremental program, *fashioned to please President Bush*, that leaves millions of children uninsured and millions more underinsured. Real child health reform can be accomplished now, but SCHIP does not meet that test.

- Americans now spend more on health care than on housing and food. The average premium for group coverage for a family is $12,680 each year— 93% of the annual earnings of a minimum wage worker.
- Health care premiums have increased more than three times as fast as wages.
- Half of people in foreclosure named medical problems as a cause.
- Businesses are struggling to afford coverage for their workers; since 2000, the percentage of employers providing health benefits dropped from 69% to 63%.
- Prevention costs far less than illness, and primary care doctor visits cost less than emergency rooms:
    - Every $1 spent on vaccinations for children saves $16 in later costs to the community.
    - The cost for a child to visit a doctor in the early stages of an asthma attack is about $100, going to the emergency room to treat full-blown asthma symptoms costs more than $7,300.
    - The cost of hospitalization for a pre-term or low birthweight baby is 25 times the cost of hospitalization when a healthy baby is born.
    - An uninsured child costs the community $2,100 more than a child with Medicaid or SCHIP.
- Family and child health security is worsening. Every one percentage point rise in the national unemployment rate would increase Medicaid and SCHIP enrollment by one million, including 600,000 children, and cause the number of uninsured to grow by 1.1 million.
- It is already anticipated that **at least 28 states are going to face budget shortfalls in 2009**. At least **ten states have already cut or reduced their SCHIP or children's health programs** and other states have not expanded their programs as much as they had anticipated. Children need a guaranteed national safety net during economic crises as we are now experiencing.

Affordable, comprehensive coverage for all children and pregnant women, regardless of where they live—while providing states with fiscal relief—is what our country can and must do now.

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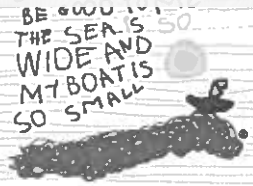
Areas to Strengthen the State Children's Health Insurance Program (SCHIP)



Children's Defense Fund

- **Lack of uniform eligibility levels leaves children subject to the lottery of geography**. States should be required to cover children up to 300 percent of the poverty level and to allow families over that level to buy into the program at a reasonable price.

- **Some states have adopted procedures that make it more difficult for families to enroll their children in SCHIP**. States should be required to eliminate various administrative barriers that make enrollment and retention of children in SCHIP more difficult and required to adopt procedures such as automatic enrollment that increase enrollment and retention.

- **States are not required to provide SCHIP enrolled children with the same level of care required by long-standing provisions of Medicaid.** States should be required to provide children enrolled in SCHIP the same EPSDT benefits provided under Medicaid.

- **Some states have adopted policies, such as waiting periods, to limit SCHIP enrollment**. States should be required to eliminate these barriers.

- **Many children are excluded from the SCHIP program because of immigration status**. The SCHIP statute should be revised to eliminate barriers to enrollment based upon immigration status.

- **States have limited enrollment in SCHIP because of the ceiling on federal reimbursement**. The SCHIP statute should be amended to guarantee federal matching payments for all eligible SCHIP enrolled children.

- **States have limited enrollment in SCHIP because of concerns about increased state matching payments with increased enrollment**. The SCHIP statute should be amended to increase federal matching payments as states increase their outreach and enrollment of eligible children.

- **Families are sometimes unable to find providers willing to provide services at SCHIP/Medicaid reimbursement rates**. States should be required to increase SCHIP/Medicaid provider reimbursement rates, with corresponding increases in federal cost-sharing.

- **Children enrolled in SCHIP do not have the same guarantee of services or protections provided to children enrolled in Medicaid.** The SCHIP statute should be amended to provide remedies that guarantee eligible children received the benefits required under federal and state law.

- **Many states do not provide adequate coverage for pregnant women**. States should be required to provide coverage for pregnant women up to 300 percent of poverty as it is indefensible that the U.S. ranks 22nd and 25th respectively among industrialized nations in low birthweight and infant mortality. A Black baby born in our nation's capital has less chance of surviving the first year of life than in over 60 other nations. We can do better.

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