



Children's Defense Fund

## Health Insurance Provisions Affecting Children and Families In the Governor's 2008-2009 Budget

Governor Spitzer released his Executive Budget on January 22, 2008. The following is a summary of some of the Governor's key changes proposed for Medicaid, Child Health Plus and Family Health Plus. **None of these changes are effective at this time.**

### **Child Health Plus Eligibility Expansion:**

The Executive Budget expands eligibility for children living in families with incomes above 250 percent of the federal poverty level (FPL) to 400 percent of the FPL, using state only dollars. This will allow an estimated **72,000** more children in moderate-income families to enroll in coverage. The following is the proposed graduated sliding fee scale for premiums with CDF-NY's recommended changes:

### **Proposed Premiums:**

<b>Federal Poverty Level</b>	<b>2008-2009 Executive Budget (per month/per child)/(family cap)</b>	<b>CDF-NY Proposed Premium Changes</b>
Below 160%	No Premiums	None
161-222%	\$15/ \$45 max	None
223-250%	\$25/ \$75 max	None
251-300%	\$35/ \$105 max	None
300-350%	\$55/ \$165 max	\$45/\$135 max
350-400%	\$75/ \$225 max	\$55/\$165 max

The Executive Budget's proposed family maximum premiums above 300 percent of the federal poverty level go as high as 3 percent of a family's monthly income. Studies show that when families are asked to pay up to 3 percent of their income, enrollment declines substantially. Therefore, we urge the Final Budget to include a reduction in premiums to 2 percent of a family's income so that the expansion is accessible and affordable to working families. This translates to reducing the premium for families living in incomes between 300 and 350 percent to \$45 per child per month and reducing the premium for families living in incomes between 350 and 400 percent to \$55 per child per month.

### **Six-Month Waiting Periods:**

Children in families with incomes above 250 percent of the FPL, leaving employer sponsored coverage to enroll in Child Health Plus B, must be uninsured for six months before they can enroll. Children simply can not afford to wait six months for critical health insurance, and we strongly urge the State to reduce this waiting period to three months. The Executive Budget includes some exceptions to this waiting period but leaves out some critical exemptions including children under 5 years of age, pregnant teenagers, children who have lost coverage due to a family member's change in jobs, children who have lost coverage because their family moved and children who have lost coverage when a family member's employer discontinues coverage. Children under 5 need to see their pediatrician regularly to receive critical vaccinations and assessments to ensure they are meeting

February 12, 2008

milestones. Pregnant teenagers require proper prenatal care throughout the nine months of pregnancy to ensure their children are born healthy and not underweight. Children should not be penalized because of inadequacies in their family member's employer sponsored coverage or because of a change of circumstances out of their control. As such, the Legislature should include all these critical exemptions in their final budget.

### **Expanding Facilitated Enrollment:**

The Executive Budget proposes to increase community-based facilitated enrollment (FE) funding by 50 percent, which CDF-NY wholly supports. Facilitated enrollment is the single most effective strategy in finding and enrolling eligible children and families. Facilitated enrollers are in the communities where the uninsured live and work, speak more than 40 languages and provide evening and weekend hours for working families. Expanding FE is a cost-effective and common sense solution to enrolling the 900,000 children and adults who are already eligible for a public program, but are not insured.

### **Medicaid Proposals for Foster Care Children:**

CDF-NY supports the Executive Budget's proposal to extend Medicaid health coverage for foster children up to the age of 21. This extension will help keep these young adults healthy as they move towards living independently. We also support the increase of 610 new slots in the new Bridges to Health program which will provide comprehensive wrap-around services for children in foster care with the most serious needs. These services will keep children out of long-term residential programs and improve a family's ability to properly care for their child.

### **Aligning the Adult Medicaid Asset Test to Family Health Plus**

The Executive Budget proposes to align the Medicaid asset test to the Family Health Plus asset test. Currently, the Medicaid asset test for a family of three is \$6,600 and for Family Health Plus is \$19,800 for a family of three. The proposal to raise the Medicaid resource test to Family Health Plus resource levels helps families to plan for their future and attain economic sustainability by building up their savings. This alignment will also create administrative efficiencies as it will make it easier for local district staff to process applications.

### **Proposals to Ensure Access to Care:**

CDF-NY supports the Executive Budget proposals that would encourage individuals to join the health care field and work in medically underserved areas, as this will significantly increase access to health care to children and families who have difficulty obtaining it in rural and inner-city locales. Such measures include Doctors Across New York, which offers tuition reimbursement for medical education and assistance with practice building for physicians who agree to practice medicine in medically underserved areas for some time, and the initiative to expand nursing programs at the State University of New York (SUNY) and City University of New York (CUNY). Having health coverage is not particularly useful if a family does not have access to a medical professional. The Governor's effort to address the lack of primary and preventive providers in underserved rural and urban communities is critical to the overall health of our children.