



## UTAH HEALTH POLICY PROJECT

*Quality Health Care Coverage for All Utahns*

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Request: **\$50-60 Billion to fully re-authorize CHIP & Protect Medicaid**

# SUPPORT COST-EFFECTIVE COVERAGE FOR CHILDREN

**PROVIDE FUNDS TO ENROLL ALL CHILDREN CURRENTLY ELIGIBLE FOR CHIP & MEDICAID**

## Summary

The State Children's Health Insurance Program and Medicaid open the door to health care to millions of America's children. Because Health Insurance Premiums continue to sky rocket and employer sponsored family coverage is becoming increasingly rare or out-of-reach for working families, more and more children must rely on CHIP and Medicaid. CHIP and Medicaid will need \$50-60 billion over the next five years to ensure that every child who is eligible for these vital, cost-effective programs can access them.

## Key Facts

- Last fiscal year CHIP helped 6 million children (35,000 Utah children).
- Between 2001 and 2005 the number of uninsured children in Utah grew by 30%. Today Utah ranks 35<sup>th</sup> in the number of uninsured children. Sadly, we have every reason to believe that this number will continue to grow.
- Over the last decade premiums for job-based family health insurance in Utah grew by 66%, leaving many employers with no choice but to stop offering family coverage.
- Utah businesses are seeing health insurance premium increases that are *nearly 5 times* the increase in wages.

*Utah Premiums Paid by Workers Rising 5x Faster than Wages (2000-2004)*

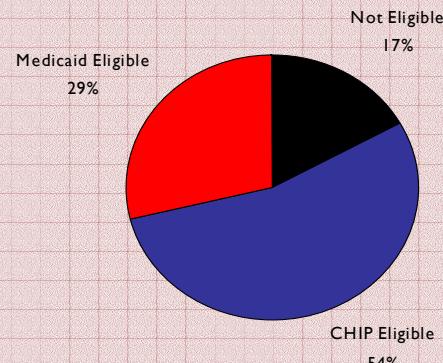
	Change in average insurance premium	Change in Average Earnings
Utah	66.3%	13.2%
U.S.	35.9%	12.4%

Source: *The Lewin Group for Families USA, 2004*

- 91% of Utah's uninsured children live in working families and 65% live in families with income at or below twice the poverty level (earning < \$33,200 for a family of 3 in 2006), the eligibility level for CHIP.
- Given trends in job-based coverage and characteristics of Utah's economy, children of working families will be less likely to have access to job-based coverage over time.
- CHIP plays a huge role in reducing health disparities between racial and ethnic groups. Why? Because children of color are more likely to live in low-income working families.
- Less healthy than insured kids, uninsured kids miss school. And, parents miss work to care for them. If we want low-income families to escape poverty, we will make sure children have affordable coverage—through CHIP.

## What role does SCHIP play in covering the uninsured?

CHIP plays an increasingly substantial role in addressing the crisis of the Nation's and Utah's uninsured Children. A survey of uninsured children in Utah showed the vast majority would qualify for Medicaid or CHIP—if they applied.



## What drives the demand for SCHIP?

The demand for SCHIP is growing because middle class health care is a broken system. Illness and injury are bankrupting families, forcing them to spend down assets into SCHIP eligibility. By meeting critical needs and heading off crises and bottlenecks, we will cut costs in the long run. However, in order to make real progress, we must tackle the underlying problem of rising health care costs.

## What's Happening with CHIP Right Now

- Between 14 and 17 states are at risk of running short of federal funds for CHIP this year, putting more than 600,000 children at risk of losing health insurance. If Congress fails to provide sufficient funds, more and more states will be forced to close these programs to children who qualify.
- Between \$50-60 billion of new money over the next five years will be required just to ensure that there will be sufficient funding to cover those who already qualify for the programs.

## What does \$50-60 billion cover?

- \$40 billion to enroll eligible but unenrolled children in CHIP and Medicaid (4.8 million uninsured children). How many Utah children?
- \$14 billion to maintain enrollment in existing CHIP and Medicaid enrollment. This takes into account expected health care inflation (6.5% a year) and population-driven enrollment growth (1% a year).
- \$5 billion to expand eligibility as a state option to more moderate-income children in CHIP who are in need of health insurance.
- \$1 billion to finance the cost of a state option to cover legal immigrant children and pregnant women through ICHIA (Immigrant Children's Health Improvement Act).