

Policy could push kids out of CHIP

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Deseret News

Published: Friday, Aug. 1, 2008 2:00 a.m. MDT

Advocates for children and the poor say that making health insurance more affordable to more people is the right thing to do, but doing so at the expense of basic health coverage for some of Utah's poorest kids is wrong.

In written and spoken testimony at a public hearing Tuesday, advocates said a waiver being sought by the state Department of Health to permit more low-income families into Utah's Premium Partnership will in effect push out children now covered by Children's Health Insurance Program (CHIP).

If the federal waiver is approved, children whose parents enroll in the premium subsidy plan, which helps a family pay premiums of a private insurance plan offered at work, would be denied CHIP coverage. The waiver would also extend the time a family must remain uninsured before enrolling in either plan — six months instead of the current 90-day waiting period.

"This policy may unfairly shift children from the more efficient, richer public coverage to the less efficient, more expensive and more precarious private market," said Karen Crompton, executive director of the child welfare research and advocacy group Voices for Utah Children. "Such a policy would represent a retreat from guaranteeing insurance to Utah's children to creating further financial hardship for the state's working families and may ultimately compromise children's health."

Crompton and other advocates said a major concern is that the proposed changes, which are part of a package of health-care reform legislation approved by state lawmakers in March, would disproportionately impact lower-income Utahns. Eligibility is for UPP is limited to working adults with incomes 150 percent of the federal poverty level — \$26,400 for a family of three per year or \$2,200 per month.

CHIP includes children in families with incomes at 200 percent of poverty. Expanding the private insurance market's capacity to help get all Utahns insured is one of the first steps in a health-care reform effort that is expected to take 10 years.

One overarching goal of the reform plan is to strengthen components already in the system without harming families covered by them, said Judi Hillman, executive director of the Utah Health Policy Project.

Parents whose employers do not offer family coverage could be forced to purchase private health insurance on their own, Hillman said. So, without a reasonable employer contribution to the premium cost, a family may opt for coverage they can't afford to actually use or, more likely, simply leave their children uninsured.