

Testimony
House Bill 1478 – Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman
January 26, 2009

Chairman Weisz, members of the Human Services Committee, I am Maggie Anderson, Director of the Medical Services Division for the Department of Human Services. I am here in support of House Bill 1478.

House Bill 1478 would increase the income eligibility level for the State Children's Health Insurance Program (SCHIP) to 200 percent (net) of the poverty level. During the current biennium (effective October 1, 2008), the income level for SCHIP was increased to 150 percent (net). For the 2009-2011 Executive Budget, SCHIP was built on an average monthly caseload of 6,021 children, which includes the growth expected as a result of increasing the income level to 200 percent (net). The estimated growth in SCHIP as a result of increasing the income level to 200 percent (net) is 1,158 children.

Attachment A shows the number of children enrolled each month in Healthy Steps since the beginning of the current biennium, and also provides the number of children enrolled in Medicaid for the same time period. Clearly, we are experiencing an enrollment trend change, which appears to be directly related to the implementation of 12-month continuous eligibility for Medicaid children. You can see from the chart that the SCHIP enrollment declined a bit between June and July. This decline has increased at a higher rate in the past two months. The chart also shows that enrollment of children in Medicaid, starting in June 2008, has significantly increased. The Department continues to explore the

details of this trend change to ensure we can appropriately project expenditures for the current biennium and for 2009-2011.

The fiscal note for House Bill 1478 contains \$4,277,313 of which \$1,106,968 are general funds to increase the income eligibility level to 200 percent (net). As noted earlier, it is expected this increase will expand coverage to enroll an average of 6,021 children per month, at an average premium of \$243.93 per child.

The fiscal note also contains \$133,864 of which \$34,644 are general funds, for salary and other expenses of the additional 1.5 FTE funded in the Executive Budget related to increasing SCHIP to 200 percent (net) of the federal poverty level. Currently 33 percent of SCHIP applications are processed by the SCHIP eligibility staff in the Medical Services Division. If the income level for SCHIP is increased to 200 percent (net), we would expect a greater percentage of the applications to be processed in Medical Services. This is because, as the income threshold is increased, a lower number of applicants will also qualify for other economic assistance programs. The Medical Services Division will monitor the need to fill these positions, as we track SCHIP enrollment and program operations.

The Healthy Steps increase to 200 percent (net) is also contingent upon Congressional action regarding the reauthorization of, and increased appropriations for, the State Children's Health Insurance Program. In addition, any increase to the income level will require federal (Centers for Medicare and Medicaid) approval.

I would be happy to respond to any questions you may have.