

Testimony
House Bill 1478 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
March 2, 2009

Chairman Lee, members of the Senate 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.

As introduced 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 expected to have 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.

House Bill 1478 was amended in the House to increase the eligibility level to 160 percent (net), rather than 200 percent (net).

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 for both Medicaid and Healthy Steps, which appears to be related to the implementation of 12-month continuous eligibility for Medicaid children. 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 the amended version of House Bill 1478 contains \$1.6 million of which \$.4 million are general funds to increase the income eligibility level to 160 percent (net). It is expected this increase will expand coverage to cover 439 children, at an average premium of \$243.93 per child, per month. The Healthy Steps increase to 160 percent (net) is also contingent upon federal approval from the Centers for Medicare and Medicaid Services.

The Department continues to support the Executive Budget request to increase the income level to 200% of the poverty level. As part of the Department's monitoring of the trend change noted earlier in my testimony, we have reprojected the SCHIP enrollment expectations for 2009-2011. Because of the decline in SCHIP enrollment that we are experiencing, our estimates now indicate:

Executive Budget (with SCHIP at 200%)	\$35.2 million
Reprojected Cost to increase SCHIP to 200%	\$25.7 million
Funds currently in HB 1012 to increase to 160%	\$32.6 million

Summary: Increasing SCHIP to 200%, based on the reprojected enrollment, compared to the current funding in HB 1012 to increase SCHIP to 160% will be a decrease of \$6.9 million, of which \$1.7 million are general funds.

The Department respectfully requests that the 200% income threshold requested in the Executive Budget be restored at the reprojected amounts.

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