

State gets approval to expand children's health insurance

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Louisiana got federal approval Wednesday to expand its health insurance program for children.

An estimated 6,500 children in moderate-income homes become eligible for the program but their families will have to contribute to medical costs under the plan.

In addition, the children will get their insurance through the State Group Benefits program — which insures state government employees.

That is a marked departure from the current program, which is free and relies on Medicaid providers.

Kerry Weems, acting director at Center for Medicare and Medicaid Services, known as CMS, announced the federal decision to approve the expansion at a State Capitol news conference Wednesday morning.

Weems said CMS agreed to expand the Louisiana Children's Health Insurance Program to cover children in households with income up to two and a half times the federal poverty level. That is about \$53,000 for a family of four.

The state and federal government share in the program costs. The federal government pays most of the costs, so any changes need CMS approval.

Today, the special Medicaid program serves children in families with income up to double the federal poverty level. That's about \$42,400 for a family of four.

There are 115,271 children currently enrolled in LaCHIP.

At the news conference, Gov. Bobby Jindal said the expansion will allow more children "to stay healthy and stay in school."

Jindal said he wants to cover more children from moderate-income families.

He said he wants to revamp the program so that families will have more choice in insurance and health-care providers than currently available through Medicaid — the government insurance program for the poor.

The use of Group Benefits is a first step toward that diversification.

Gov. Kathleen Blanco filed the request for the LaCHIP expansion on Sept. 5.

But CMS raised questions because of its potential for increasing program costs while leaving those from lower-income families without insurance coverage.

Approval of the request came after Jindal and state Department of Health and Hospitals Secretary Alan Levine visited with top federal health offices in Washington, D.C., last month.

Levine said parents can begin enrolling their children in the program in late spring or early summer.

Under the expansion, families will pay \$50 a month toward premiums, with the government picking up the rest of Group Benefits' insurance costs. Families will also cover deductibles and co-pays just like those enrolled in Group Benefits' preferred provider organization.

State Health and Hospitals spokesman Bob Johannessen said Group Benefits was selected as the program administrator because "they have a strong provider network."

Using the state agency also allows a quicker program start-up "because we don't have to go through a request for proposal process" to solicit private sector interest in providing the insurance, Johannessen said.

Jindal said he eventually wants to cover children in households with family income of three times the federal poverty level.

That would mean income of about \$63,600 for a family of four. The Legislature overwhelmingly endorsed an expansion to three times the federal poverty level under Blanco.

But the Bush administration made it clear that it would only consider the two and half times poverty expansion.

Jindal and Blanco teamed up on the issue of insuring more of Louisiana's children as the Bush administration and Republicans in the state's congressional delegation fought legislation that would have allowed program expansion.

When there are limited funds, Weems said, "you have to obligate to spend it on targeted lower-income children."

"Let's take the poorest children and put them at the front of the line and not the back of the line," Weems said.

Weems said that is why CMS is being cautious about children's insurance program expansions, insisting that the poorest children get coverage first.

According to state health officials, Louisiana's program is covering 95 percent of eligible children today.