

February 21, 2013

Gov. Steven L. Beshear
700 Capitol Avenue, Suite 100
Frankfort, Kentucky 40601

Re: Improvements to the Medicaid and KCHIP Programs

Dear Governor Beshear:

The undersigned organizations represent low-income children and youth in Kentucky. We support efforts to increase healthcare coverage and access in the Commonwealth and greatly admire your previous effort to expand coverage for kids.

Other Kentucky advocates for children's health recently have made two recommendations that we support in their entirety:

- Kentucky should take up the option to waive the five-year bar to Medicaid eligibility for lawfully residing immigrant children and pregnant women
- Kentucky should eliminate the six-month waiting period for children to receive KCHIP benefits when they previously had private coverage.

Below we outline why we support both of these proposals and why we hope you will, too.

Waiving the five-year bar for lawfully residing immigrant children and pregnant women would increase access without burdening Kentucky.

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) allows states to waive the current five-year bar for lawfully residing immigrant children and/or pregnant women to receive Medicaid.¹ Twenty-four states and the District of Columbia have chosen to implement all or part of this option for their residents, with the majority providing coverage to both children and pregnant women.² Neighboring Virginia joined the list on July 1, 2012. Kentucky can take up the option with a state plan amendment.³

Dr. Leighton Ku at George Washington University has created a method to estimate the number and cost of newly eligible women and children if a state takes up the CHIPRA option. See Attachment A. As it outlines, children and pregnant women affected by the five-year bar in Kentucky are very few in number: **755**.

¹ Public Law No. 111-3, 2009.

² "Barriers to Immigrants' Access to Health and Human Services Programs," ASPE Issue Brief, May 2012, available at <http://aspe.hhs.gov/hsp/11/ImmigrantAccess/Barriers/rb.pdf>.

³ Cindy Mann, Centers for Medicare and Medicaid Services, State Official Letter, "Medicaid and CHIP Coverage of 'Lawfully Residing' Children and Pregnant Women," July, 2010.

This option is not only best for the health of Kentucky residents, but economically sound. Kentucky would receive an enhanced federal match rate for newly eligible children because they are considered “targeted low-income children,” and a higher match for pregnant women if covered under KCHIP than under Medicaid.⁴

When these dynamics are figured in, the estimated annual cost is \$649,399.

Kentucky already bears much of the cost for pregnant women. Currently, low-income individuals who are eligible for regular Medicaid in every way but their immigration status can receive Time-Limited Medicaid for emergency medical conditions, including childbirth. This means that many hospital costs, including labor and delivery for pregnant women, are already paid.

Prevention promises additional savings. Women who receive no prenatal care are 3 ½ times more likely to have a low birth weight baby and nearly 3 times more likely to give birth prematurely than other pregnant women.⁵ Health coverage during pregnancy improves chances for a normal delivery. One study has found that the average net savings from prenatal care was over \$1000 per mother.⁶

Eliminating the six-month waiting period for KCHIP also would be good for Kentucky.

Under current Kentucky rules, children must go without insurance for 6 months to be eligible for KCHIP. A recent Notice of Proposed Rule Making from the Centers for Medicare and Medicaid would require states to have waiting periods of no more than 3 months.⁷ Since Kentucky will have to change its policy, we believe that this is an excellent opportunity to eliminate the waiting period entirely.

Research shows that when families are uninsured they are likely to go without needed care and preventive services, which can increase the cost of their care once they are covered.⁸ Eliminating the waiting period would provide more continuous coverage and potentially save the state money.

⁴ Cindy Mann, Centers for Medicare and Medicaid Services, State Official Letter, “Medicaid and CHIP Coverage of ‘Lawfully Residing’ Children and Pregnant Women,” July, 2010.

⁵ Taylor, Alexander, and Hepworth, “*Clustering of U.S. Women Receiving No Prenatal Care; Difference in Pregnancy Outcomes and Implications for Targeting Interventions*,” *Maternal and Child Health Journal* 9, no. 2 (June 2005): 125-133.

⁶ Henderson, JW, “*The Cost Effectiveness of Prenatal Care*,” *Health Care Finance Review*, 1994 Summer;15(4):21-32.

⁷ CMS 2334-P, available at http://www.ofr.gov/OFRUpload/OFRData/2013-00659_PL.pdf, January, 2013.

⁸ Diane Rowland, Sc.D, Testimony in “Hearing on the Instability of Health Coverage” before the Congress of the United States, House of Representatives, Committee on Ways and Means, Health Subcommittee, April 15, 2008, available at: <http://www.kff.org/uninsured/upload/7767.pdf>, January, 2013.

By dropping the waiting period, Kentucky would join 11 other states that have already seen the benefit for uninterrupted coverage,⁹ and the Commonwealth has the option to do this through a state plan amendment.

Removing the waiting period would significantly increase enrollment: although Kentucky has done a good job enrolling eligible children in KCHIP and Medicaid, an estimated 7577 eligible children are currently uninsured. See Attachment B. Based on estimates using statistics from national experts, we could insure **4,289** more children by eliminating the waiting period. A rough estimate of the cost: slightly less than \$2.2 million annually.

Because of the research and estimates we cite above, we strongly support both of these options to improve KCHIP in the Commonwealth. We applaud the efforts of your administration to cover children and would like to offer our assistance with the next steps. Please feel free to contact us at (859) 233-0323 if there is any information, insight or assistance that we can provide.

Sincerely,

A handwritten signature in black ink that reads "Megan Hunt". The signature is written in a cursive style and is set against a light yellow rectangular background.

Kentucky Voices for Health

A handwritten signature in blue ink that reads "Tara Hinkley-Anderson". The signature is written in a cursive style.

Kentucky Youth Advocates

Kentucky Equal Justice Center

Advocacy Action Network
Catholic Conference of Kentucky
Covering Kentucky Kids and Families
Kentucky Council of Churches
Kentucky Domestic Violence Association
Kentucky Parent Teacher Association
Kentucky Primary Care Association

⁹ Georgetown University Health Policy Unit, Center for Children and Families, "Medicaid and CHIP Programs," available at <http://cf.georgetown.edu/facts-statistics/medicaid-chip-programs/>, January, 2013.