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# Top Five Reasons to Support H.R. 3200
## "America's Affordable Health Care Choices Act of 2009"
## July 2009

America's Affordable Health Care Choices Act of 2009, also known as the House Tri-Committee bill, includes strong provisions that will help millions of children and families gain quality, affordable health care coverage, and help those families who have coverage but are struggling to afford it on limited household budgets. We also commend the approach the bill takes in keeping children and their parents together as a step forward for children's health coverage.

Concerns have been raised about moving children now covered in CHIP (Children's Health Insurance Program) into new Exchange plans. Rep. DeGette is offering an amendment in Committee that would address this concern. The amendment would ensure that no child moves into the Exchange before the Secretary of HHS certifies that the coverage, including benefits, cost-sharing protections, and adequacy of provider networks, is at least comparable to the coverage provided by the average state CHIP plan.

As last week closed with progress stalled at least momentarily in the Energy & Commerce Committee — and the bill coming under increasing attack for being too generous and costing too much — we think rallying vocal support for the bill is vital to help move it forward. **Here are our top 5 reasons to support the House tri-committee bill**:

1. **The House bill includes a major expansion of Medicaid to extend coverage to the lowest income Americans**. Nationwide, eligibility levels will rise to 133% of the poverty line for children of all ages, their parents, and other adults. Moreover, most children and adults who are eligible for Medicaid under a state's current rules, which may provide for eligibility at higher income levels, will remain eligible. States must maintain their current eligibility standards and their procedures used to determine Medicaid eligibility. And states will no longer be able to apply an asset test in determining eligibility for most groups of beneficiaries; eligibility generally will be determined on income alone. Raising Medicaid eligibility to 133 percent of the poverty line means millions more people will be eligible for Medicaid across the country:

   - Children: In 21 states, children between the ages of 6 and 18 with family incomes between 100 and 133 percent of the poverty line will become eligible for Medicaid for the first time. These states already cover younger children up to 133 percent of the poverty line, but children in this income range now lose Medicaid in these states when they turn 6.

   - Parents: In the typical (or median) state today, the Medicaid eligibility limit for working parents is only 67 percent of the poverty line. The bill thus makes many uninsured low-income parents eligible for Medicaid for the first time. An extensive body of research shows that covering low-income parents together with their children increases enrollment of eligible children in health coverage. Parent coverage also appears to improve children's use of health care.

2. **The House bill addresses longstanding concerns about Medicaid provider payment rates, improving access to care for Medicaid beneficiaries.** Payments for primary care services in Medicaid will be increased beginning in 2010 — and by 2012 will be raised to 100 percent of Medicare reimbursement levels. The federal government will pay 100 percent of the cost of increasing these payments. Increasing primary care payments will encourage more physicians and other practitioners to participate in Medicaid and allow those who already participate to see more Medicaid patients, thus improving access to care.

3. **The House bill will help low-income families afford health coverage and protect them against high out-of-pocket costs.**

    - Low- and moderate-income families with incomes up to 400 percent of the poverty line ($73,240 for a family of three) who are not eligible for Medicaid and do not have coverage through their employers will qualify for sliding-scale subsidies to purchase coverage in the new Health Insurance Exchange.

    - Families eligible for premium subsidies will also get sliding scale cost-sharing subsidies to protect them from high out-of-pocket costs. *This protection will extend to all family members, not just children as in the current CHIP program*. So, if a parent gets sick, families will no longer face the prospect of large, uncovered medical expenses draining family income (and potentially leaving too little income left for the family to afford co-payments for needed care for their children).

4. **The House bill includes a child-specific benefit package so that children who enroll in health coverage through the new Exchanges will have the benefits they need.** All plans offering coverage in the Exchange must cover a number of benefits that are critical to the development and well-being of children. These benefits include well-baby and well-child care, dental, vision, and medical equipment and supplies. Benefit packages for adults and children must cover standard benefits such as doctor's visits, hospital care, preventive services and prescription drugs, as well as specialized benefits such as rehabilitative and habilitative services and mental health and substance abuse treatment. Finally, benefit packages in the exchange *cannot* include annual or lifetime limits on coverage. And no cost-sharing will be allowed for well-baby and well-child care and other preventive services.

5. **The House bill envisions a future in which low-income people – children, their parents, and adults without children – have access to stable coverage.** The House bill does end CHIP in 2013, when the new health insurance exchange is up and running. After all the work that we've done together on CHIP, this isn't the approach we were expecting, but nevertheless the House bill offers some clear advantages over the current program:

- Unlike the current CHIP program — which requires state matching contributions, provides federal funding only up to a cap, and allows states to set enrollment ceilings and impose waiting lists — the House bill creates a new open-ended entitlement to Exchange coverage and to premium and cost-sharing subsidies for low and moderate income families that is 100 percent federally funded. Families and children will never face waiting lists for subsidies or be subject to the changes in state finances that currently can force states to curtail CHIP spending and impose enrollment freezes and waiting lists when states budgets get tight — or when a state hits its federal CHIP allotment cap.

- The benefits children will receive in Exchange plans are comparable to most separate state CHIP programs. That is not the case in states using Medicaid expansions for their CHIP programs, but the needs of most children in these states should be met by the child-specific benefit package in the House bill. There are children with special health care needs in these states who will need specialized health care services available through EPSDT, which will not be available through the Exchange. But this is a broader problem affecting children with special health care needs in all states, including those who do not have access to EPSDT now. Efforts must be made to ensure that options like the Family Opportunity Act are made available in all states so that lower-income children with special health care needs are assured the care they need.

- As noted above, providing family-based coverage increases enrollment and health care utilization by children and leads to positive health outcomes. And while some have criticized the loss of CHIP cost sharing protections for children, it's important to remember that under the health reform legislation cost sharing protections will apply to the entire family. So a parent's illness can no longer jeopardize a family's ability to provide for a child's other essential needs. On balance, we believe the cost-sharing protections consequently are superior to those in the existing CHIP program.