Vote NO on SB 213 to Impose Premiums in CHP+

Summary of SB 213
- Impose monthly premiums for children enrolled in CHP+ between 205% and 250% of FPL as follows:
  - $20 for the first child
  - $10 for each additional child
  - $50 total family cap
- Includes an inflator so premiums will increase over time.
- Monthly premiums do not apply to pregnant women eligible for CHP+ or children in families below 205% of FPL.
- Allows the state to withhold past-due premiums from tax refunds.

Reasons to VOTE NO
- SB 213 will grow government bureaucracy and create inefficiency. Colorado tried premiums in CHP+ before and it didn’t work – collecting monthly premiums proved to be costly and cumbersome for the state.
- SB 213 will reduce CHP+ enrollment, leaving more kids uninsured and more likely to utilize expensive and inefficient emergency departments.
- The fiscal benefit to the state is minimal, but the negative impact on children and increased bureaucracy is significant.

Background, Research & Experience in Other States
- Colorado has the fastest growing rate of childhood poverty in the country and more than 120,000 Colorado kids are uninsured, putting them at risk for poor health outcomes and their families at risk for financial hardship.

- Colorado currently charges annual enrollment fees and co-pays for CHP+ clients above 150% FPL, but does not charge monthly premiums. As of January 1, 2011, 30 states charged premiums and 4 states, including Colorado, charged annual enrollment fees for the child health insurance programs.

- Cost sharing is a barrier to participation in public insurance programs & will likely result in reduced enrollment in CHP+.
  - Families struggle to pay the annual enrollment fee required by CHP+ today. In fact, the Boulder County Healthy Kids Initiative reports paying enrollment fees for 50% of children who they enrolled or renewed in CHP+ in the last 6 months.
  - Experience in other states shows that participation in Medicaid and SCHIP falls off sharply with premiums, and that even relatively low premiums lead to significant coverage losses.
  - Premiums most affect enrollment among those with the lowest income, but also lead to disenrollment among those with income above 150% of the poverty level.
  - A seven-state study of the reasons eligible children lose or leave SCHIP found that almost 4 in 10 families whose children remained eligible for SCHIP but became disenrolled had problems paying their premiums. Families who paid more than $20 per month in premiums were more likely to have trouble than those who paid less.

Date: April 6, 2011 // Contacts: Jennifer Miles, 303.668.3979; Reilly Pharo, 303.919.7461; Ruth Aponte, 303.907.1980; Jeff Thormodsgaard, 303.653.5563
• Loss of coverage contributes to increased emergency department utilization and pressure on safety net providers.
  o Other states that experienced coverage losses following the imposition of new or increased premiums for public insurance reported increased emergency room use by uninsured patients, increased pressure on clinics, and increased demand for charity care.

• Administration of premiums can be costly and cumbersome for the state.
  o Because Colorado does not collect monthly premiums for the CHP+ program today, a new administrative structure would need to be established to implement this.

Previous Colorado Experience with Premiums in CHP+
• When the CHP+ program was established in 1997 premiums were required for all clients.

• A state audit of the program released in July 2000 showed significant administrative barriers to program success, including high premiums and an inability of the state to appropriately track and collect premiums.

• In response to these audit findings Governor Owens announced in August of 2000 plans to eliminate the CHP+ premiums and seek legislative authority to replace premiums with annual enrollment fees.

• HB 01-1331 (Saliman / Owen) empowered HCPF with complete administrative authority for the program, including premium / enrollment fee decisions.

Bottom Line - SB 213 will:
• Add to government inefficiency in the CHP+ program by creating new bureaucratic structures to assess and administer premiums,
• Reduce CHP+ enrollment, leaving more children uninsured, and
• Increase costly and inefficient use of emergency departments.

Organizations Opposed to SB 213
All Kids Covered
American Academy of Pediatrics, CO Chapter
Colorado Center on Law and Policy
Colorado Children’s Campaign
Colorado Coalition for the Medically Underserved
Colorado Community Health Network
Colorado Consumer Health Initiative
The Children’s Hospital

Date: April 6, 2011 // Contacts: Jennifer Miles, 303.668.3979; Reilly Pharo, 303.919.7461; Ruth Aponte, 303.907.1980, Jeff Thormodsgaard, 303.653.5563