

MEMORANDUM

DATE: May 18, 2009

TO: All Members of the Delaware State Senate
and House of Representatives

FROM: Ms. Daniese McMullin-Powell
Chairperson
State Council for Persons with Disabilities

RE: H.B. 139 [CHIP “Buy-in” Option]

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 139 which would extend Delaware’s Children’s’ Health Insurance Program (CHIP) to include reduced-cost health insurance coverage for children of families with personal incomes above 200% of the Federal Poverty Level. H.B. 139 is well summarized in the attached May 1, 2009 News Journal article. CHIP eligibility is currently limited to households with income below 200% of the FPL. This bill would allow households with income above the cap to “buy-in” to CHIP through payment of a premium to be determined by the Department of Health & Social Services (DHSS). According to the article, the premium is expected to be approximately \$110 per month. DHSS would also establish co-pays and deductibles (lines 17-19). The article includes the interesting observation that “no insurance companies in the state allow parents to buy coverage for only children, and instead require the purchase of an entire family plan, which is often prohibitively expensive.” Enrollment would be limited to children uninsured by a continuous period of at least 3 months unless: 1) the parent is receiving unemployment benefits; 2) the child’s insurance was involuntarily lost; or 3) the child is transferring from one government-subsidized health care program to another (lines 9-16).

SCPD strongly endorses the proposed legislation subject to consideration of one amendment.

The bill refers to “family” applications for CHIP eligibility (lines 4, 6, 9, and synopsis). In contrast, two of the exceptions to the 3-month uninsured status requirement are limited to a parent (lines 12 and 14). Many children are being raised by grandparents; other relatives; or non-relative, court-appointed custodians. Compare Title 14 Del.C. §202. The State CHIP regulations do not ostensibly limit eligibility to parent applications. See 16 DE Admin Code 18300, 1844, and 16240. Cf. 16 DE Admin Code 18200.3 which recites as follows:

A child who has a family member who works for a public agency within Delaware and is eligible to participate in the State health benefits plan with an employer premium subsidy is not eligible for DHCP. Family member is defined as the parent of the child or the individual who has legal custody of the child.

The sponsors may wish to consider expanding the reference to “parent” in lines 12 and 14. One option would be to refer to “parent, custodian, or relative caregiver as defined in section 202 of Title 14 of the Code”. Alternatively, a more encompassing reference would be “parent or other member of the family budget unit”. Compare 16 DE Admin Code 16240 applicable to the CHIP:

The budget unit is composed of various adults who are legally/financially responsible for each other and various children (related or unrelated) for whom the adults have legal responsibility or for whom the adults have accepted parental-like responsibility.

The latter option is preferable since the unemployment or loss of insurance of persons whose income is counted towards the 200% FPL cap in the budget unit affects the family’s ability to provide child health insurance.

Thank you for your consideration and please contact SCPD if you have any questions regarding our position recommendation on the proposed legislation.

cc: The Honorable Jack A. Markell
Mr. Brian Hartman, Esq.
Governor’s Advisory Council for Exceptional Citizens
Developmental Disabilities Council

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