

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HM 889 State Children's Health Insurance Program
SPONSOR(S): Healthcare Council and Harrell
TIED BILLS: **IDEN./SIM. BILLS:** SB 1506

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Healthy Families</u>	<u>9 Y, 0 N</u>	<u>Mitchell</u>	<u>Mitchell</u>
2) <u>Healthcare Council</u>	<u>16 Y, 0 N, As CS</u>	<u>Mitchell</u>	<u>Gormley</u>
3) <u>Rules & Calendar Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

CS/HM 889 is a resolution to encourage federal reauthorization of funding for the Healthy Kids component of the Florida KidCare Program that provides health care to low-income children who are uninsured and not eligible for Medicaid.

The memorial requests the Florida delegation to Congress to work to ensure that the Congress reauthorizes the State Children's Health Insurance Program (SCHIP). The memorial requests the Governor to work with the Florida delegation to ensure that SCHIP is reauthorized in a timely manner.

The memorial also requests the Governor to provide the assistance necessary to identify and enroll children who qualify for Medicaid or the Florida KidCare program. It proclaims that all components of state government should work together with educators, health care providers, social workers, and parents to ensure that to the maximum extent possible all available public and private assistance is used to provide health benefits to uninsured children.

Copies of the memorial are to be sent to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower Families--The bill requests Congress to reauthorize and continue federal funding for the State Children's Health Insurance Program (SCHIP) that supports Florida's KidCare program of health coverage to low-income children. Health care coverage helps children succeed in life and helps families avoid crisis due to lack of insurance.

B. EFFECT OF PROPOSED CHANGES:

CS/HM 889 requests the members of the Florida Congressional delegation to ensure Congress reauthorizes the State Children's Health Insurance Program (SCHIP) to provide federal funding for the Healthy Kids component of the Florida KidCare program. The memorial requests the Governor to work with the Florida delegation to ensure that SCHIP is reauthorized in a timely manner.

The memorial also requests the Governor to provide the assistance necessary to identify and enroll children who qualify for Medicaid or the Florida KidCare program. It proclaims that all components of state government should work together with educators, health care providers, social workers, and parents to ensure the maximum use of available public and private assistance to provide health benefits to uninsured children in Florida.

CURRENT SITUATION

The purpose of the resolution is to get federal reauthorization of funding for Florida's Healthy Kids program by September 1, 2007. Healthy Kids provides health care to low-income children who are uninsured and ineligible for Medicaid under federal rules. The federal government provides a more than two to one (71/29) ratio of federal matching funds to the state program. Federal funding has permitted Florida to cover children up to 200% of the federal poverty level and reduce the number of uninsured children. Additional federal funding for the Healthy Kids program is due to expire in August of this year.

Background Information on the State Children's Health Insurance Program and Florida's KidCare Program

The State Children's Health Insurance Program (SCHIP) was established as Title XXI of the Social Security Act as part of the Balanced Budget Act of 1997 (BBA). The goal of SCHIP is to expand health coverage to children whose families' incomes are too high for the children to be eligible for Medicaid (Title XIX of the Social Security Act), but too low for the families to afford private coverage for their children. Together with Medicaid, SCHIP provides a safety-net for health insurance for low-income children and has significantly reduced the number of low-income uninsured children.

Florida's program implementing the national State Children's Health Insurance Program is KidCare. The Florida KidCare program provides health care coverage to over 1.4 million children in Florida. KidCare is an "umbrella" program, the components of which include Medicaid for children, the Florida Healthy Kids (SCHIP) program, Medikids, and the Children's Medical Services Network (CMSN). Family income and a child's age and having a serious health condition are the eligibility criteria that determine which KidCare component serves a particular child.

As of February 2007, 204,021 children in KidCare are eligible for SCHIP, 1,163,813 are Medicaid eligible, and 26,249 children are not eligible for SCHIP or Medicaid but are supported by other local and state funds.

Congress must reauthorize SCHIP in 2007 for federal financing to continue.

Health care experts agree on the importance of providing health coverage for children. Lack of health insurance is a substantial barrier to health care. Uninsured children have much higher health risks than do covered children. They are more likely to go without health services, may avoid, or delay care when it is needed, and are less likely to receive the proper medical care for childhood illnesses such as sore throats, earaches, and asthma. Children who have health insurance are more likely to have a usual place of care and receive preventive and medical services.

Similar to Medicaid, SCHIP provides each state the flexibility to design its program within broad federal guidelines and to modify aspects such as eligibility standards, benefit designs, and limited cost sharing requirements (premiums, deductibles, and co-insurance). However, unlike Medicaid, SCHIP is not an entitlement program and there are limits to the amount of money the federal government has allocated to each state through federal matching funds, known as the annual federal allotment. The federal match rate for SCHIP is higher than Medicaid.

C. SECTION DIRECTORY:

Not applicable.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

The State Children's Health Insurance Program (SCHIP) provides important health insurance coverage for our low-income children in Florida. Funding from the Federal Government covers 70% of the cost of the program. It is imperative for the health of these children that the US Congress reauthorize this important program.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On April 10, 2007, the Healthcare Council adopted an amendment by the bill sponsor and voted the bill favorably as a Council Substitute:

The amendment corrects the number of children enrolled in the KidCare program, which had been reported only as the enrollment in Florida Healthy Kids, the SCHIP component of KidCare, and conforms the bill to the Senate version. The analysis is drafted to the Council Substitute.