

**REVENUE: No revenue impact**

**FISCAL: May have fiscal impact, statement not yet issued**

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<b>Action:</b>	Without Recommendation as to Passage, Requesting Referral to the Committee on Rules and Rescind Subsequent Referral to Ways and Means
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Carter, Gordly, Kruse, Courtney, Monnes Anderson
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Shannon Strumpfer, Administrator
<b>Meeting Dates:</b>	1/22, 4/30

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**WHAT THE MEASURE DOES:** Creates Oregon Healthy Kids Program which includes private health option to provide health care coverage to children. Imposes duties on Department of Human Services and Office of Private Health Partnerships to carry out program. Creates grant program to Office of Private Health Partnerships to fund outreach, enrollment and retention activities related to Healthy Kids Program. Establishes Private Health Option Program Account. Continuously appropriates moneys in account to Office of Private Health Partnerships for purposes of administering private health option.

**ISSUES DISCUSSED:**

- Different approaches to the Oregon Healthy Kids Program
- Current impact of uninsured children on Oregon's health care delivery system
- Importance of preventive medical, dental and vision care for children
- Difficulties facing middle-class families and small employers regarding health insurance
- Personal testimonies relating to families with health care crisis
- Activities during 2006 interim to develop OHKP
- Developing partnerships and seamless coverage between health care providers and safety net clinics
- Sixty day uninsured requirement
- Risk and stability associated with increasing tobacco tax and potential revenue decline
- Offering new benefit to families who may already be able afford health insurance
- Possible "crowd-out" impact (i.e., families who can afford to purchase insurance using public-funded program instead)
- The need to reform current health care system

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In February 2006 Governor Kulongoski announced his Healthy Kids Plan. In his announcement he cited that there are 117,000 Oregon children without health insurance (2004 figures). Included in the Governor's announcement were facts about these children's lack of access to practitioners, medicine, eyeglasses, and other health care services that the insured typically have access to, and that approximately half of these uninsured children may be eligible for coverage under Oregon's Medicaid or SCHIP programs but are not currently enrolled. Additionally, it was noted that there are additional children of working families who earn too much to qualify for those publicly-funded programs, but not enough to pay all the costs of health insurance.

There are six key components of the Healthy Kids Plan:

- All uninsured Oregon children up to age 19 are eligible for coverage
- Every child insured through the Plan will have the same insurance card

- Enrollment will be streamlined and simplified by utilizing existing programs and partnerships with schools, health care providers and non-governmental organizations
- All children in families with incomes up to 200 percent of the federal poverty level -- e.g. a family of four with \$41,300 (2007 FPL) in annual family income -- will be eligible for coverage through the existing Oregon Health Plan (OHP) and Family Health Insurance Assistance Program (FHIAP)
- Families with incomes above 200 percent of FPL will be eligible to purchase affordable, comprehensive group coverage for their children; a sliding scale, based on the family income, will be developed to determine the size of the premiums and co-payments

At the Governor's request, the Medicaid Advisory Committee (MAC) worked with state agencies and community partners to design and develop key elements of the Plan, focusing on the delivery system, enrollment and retention and benefit options for expanding coverage for children in families with incomes above 200 percent of FPL. In May 2006, MAC issued their recommendations in the *Healthy Kids Plan: Medicaid Advisory Committee Recommendations Report*. Additionally, throughout the 2006 interim, the Senate Committee on Children's Health Care worked with the Governor, the Medicaid Advisory Committee and legislators to develop and refine the Healthy Kids Plan.

Currently, the state's Medicaid program (OHP Plus), which includes SCHIP, serves approximately 225,400 children. The state estimates that 95 percent of children in the state could be covered under health insurance with the Plan