



Joint Ways and Mean Human Services Sub-Committee Testimony
April 17, 2013

Co-Chairs Nathanson and Bates and members of the Joint Ways and Means Human Services Sub-Committee; thank you for the opportunity to come before you today. I am Sharon Fox, a representative from the Children's Health Alliance. We are an association of 125 private practice pediatricians serving five counties in Oregon. We just became aware of the amendments to HB 2091 a couple of weeks ago and have been talking to organizations and patients to understand the implications for children whose family income is less than 300% of the federal poverty level (FPL) who reside in our State. It is difficult to speculate the impact of this bill because of the uncertainties associated with the health insurance exchange; particularly participation by employers and insurance rates. I would like to submit to you today some concerns and outstanding questions we have regarding HB 2091, along with its partner bill HB 2859.

Our understanding of this bill (combined with HB 2859) is that any family seeking subsidies on the Health Insurance Exchange with an income less than 300% of the FPL, will *only* have the choice of the Oregon Health Plan for their children. Furthermore, the parent(s) will not have the option to obtain an employer contribution or subsidy to purchase commercial insurance for their children on the exchange, even though the parent(s) may be eligible for a subsidy on the exchange and contribution from their employer to purchase commercial insurance.

The Oregon Health Authority estimates 8500 children will be affected across the state based on current enrollment in the Healty KidsConnect Program. There are currently 1,700 children enrolled in the Family Health Insurance Assistance Program (FHIAP). The major uncertainty regarding the predicted number of children impacted is the number of employers that will discontinue insurance for their low paid employees for the purpose of accessing the available subsidies.

Given this understanding, we have the following concerns::

1. This bill eliminates family *choice* for their child (or children) to obtain a premium subsidy for the purchase of commercial health insurance.



2. If the predictions of children affected are underestimated, access for children to health care services could be exacerbated, particularly with specialty services.

3. These bills remove the option for families and employers to contribute to the purchase a child's (children's) commercial health insurance through the Exchange for individuals and small businesses less than 50 employees.

4. There is not an optimal OHP or commercial benefit package which meets the needs of all children in Oregon therefore, parents need choice. This was apparent during our conversations with patients and various organizations.

5. FHIAP allows for proportional assistance to employer sponsored coverage. This encourages companies to provide high quality health insurance to attract good workers. Once employers learn that children < 300% of the FPL will be covered by OHP, they may be less likely to provide a family insurance contribution if choice is reinstated at a later date, as has been discussed within the Oregon Health Authority.

In addition, we have two outstanding questions:

a. Once these children are on OHP can Oregon allow them a choice to go back to commercial insurance without any penalties by CMS to the State of Oregon?

b. It's understood that Healthy KidsConnect did not have high participation among children. Why does FHIAP have an enrollment waiting list of 44,000 people, many of whom are presumed to be on OHP? This may be indicative of the desire for choice.

We encourage additional study and consideration of continuing FHIAP and HKC as a bridge for children's healthcare until the Oregon Insurance Exchange can arrange to offer the choice for subsidies for private insurance for children in families who make less than 300% of the FPL. Another option is to discontinue HKC, but allow FHIAP as an option for children/families between 0-300% of the FPL.

Thank you.