



February 3, 2014

TO: The Honorable Senator Monnes Anderson, Chair
Senate Committee on Health Care and Human Services

FROM: Deborah Rumsey
Children's Health Alliance

SUBJECT: SB1526 – Using CHIP funds to subsidize costs of commercial insurance coverage for qualified children

For the record, I am Deborah Rumsey, Executive Director of the Children's Health Alliance. The Children's Health Alliance is an association of over 100 primary care pediatricians across five counties in the Portland/Vancouver and Salem Metropolitan areas. The Alliance was established in 1998 to promote a culture of improvement among member practices with the mission to improve care for all children. We are here today in support of Senate Bill 1526. This bill will require the Oregon Health Authority to request federal approval to use Children's Health Insurance Program funds to subsidize costs of commercial health insurance coverage for children with family incomes from 200 percent to 300 percent of federal poverty guidelines.

We support SB1526 for the following reasons:

- 1) Patient Choice. We believe that patients and their families should have the right to choose which health plan will best serve the needs of their child. When the eligibility level for the Oregon Health Plan was raised from 200% to 300% of the federal poverty guidelines, the patients lost their choice to choose a commercial insurance carrier.
- 2) Continuity of Care. We believe that offering patients and their families the option to choose a commercial health plan will allow patients to maintain continuity of care with their current healthcare provider. This is especially important for those children who are managing chronic conditions, reliant on specialists, or have high support needs. Offering only one choice through the Oregon Health Plan may disrupt the continuity of care, or the medical home, with whom a patient has established care, and who understands the patient's unique needs.

- 3) Coverage of all of the needs for children and youth with special health care needs. In general, children have more limited coverage on the Oregon Health Plan than with commercial insurance. For example, coverage for therapy services is subject to strict limits as to the number of visits available, and the prioritized list draws a line on covered services that may not consider the many unique needs of children over adults. Another area of concern is the need for a funded diagnosis to receive services. Kindergarten readiness and early intervention for children with developmental challenges is critical; yet the diagnosis code for developmental delay is not currently on the prioritized list, making it difficult for children to receive the necessary services in a timely manner. Newly eligible patients, who have historically qualified for a subsidy through the HealthyKids Connect program will be surprised to discover that certain routine services will no longer be covered for their child under the Oregon Health Plan. The Oregon Health Plan limits coverage for many of the common needs of children that can significantly affect the quality of life for these children, including rehabilitation for common sports injuries, common skin disorders, allergies, and behavioral struggles, to name a few.

Offering a choice to patients who fall between 200-300% of the federal poverty guidelines of accepting the Oregon Health Plan or a subsidized commercial insurance product will ensure that families can carefully consider the unique needs of their child and their medical conditions when choosing a health plan. If a choice is not offered, the families have limited ability to impact the health needs of their child, especially if their child has needs that are not covered under the Oregon Health Plan.

If you have any questions regarding my testimony or the perspective of the pediatricians I represent, please do not hesitate to contact me. I appreciate the opportunity to testify in support of SB1526. Thank you for your time.