Sponsor's Testimony in Support of LD 372
An Act To Provide Maine Children Access To Affordable Health Care

Good afternoon Senator Claxton, Representative Meyer and esteemed members of the Health and Human Services Committee. I am Anne Carney, representing Senate District 29, South Portland, Cape Elizabeth and part of Scarborough.

I am pleased to introduce LD 372, An Act To Provide Maine Children Access To Affordable Health Care. Much has happened since I presented an earlier version of LD 372 to this committee in May 2019. What we have learned and experienced in the last two years brings an even greater sense of urgency to children's health care.

- Nationally, our rate of uninsured children has increased steadily since 2017, mostly due to declining Medicaid and CHIP enrollment. Although our rate of uninsured children improved to 4.7 percent in 2016, the child uninsured rate began to worsen in 2017, and by 2019 had jumped back up to 5.7 percent. This means we had about 726,000 more uninsured children despite a booming US economy and continued Medicaid expansion for adults, even before the pandemic hit.
- As we all know, in the late winter of 2020, parents began to lose work due to the pandemic, and consequently lost access to employer-sponsored health coverage and the financial resources to purchase coverage on the marketplace. An estimated 300,000 additional children became uninsured because of the pandemic. And because of the tumult caused by the pandemic, children have struggled with education, economic insecurity, physical and mental health.
- Here in Maine, three groups of parents and children were hit hard: the gig workers who had to wait while an entirely new income replacement program was set up; Black Mainers; and new Mainers. When we started to get COVID-19 case data by race and ethnicity in late April, we learned that Black and African-American Mainers accounted for 9.2 percent of Maine's COVID-19 cases, but make up only 1.6 percent of our population. Disparities in Maine far exceed the rest of New England.

In May 2019 I never would have imagined we'd be taking up this bill in an electronic meeting, during a global pandemic, facing a devastating impact on Maine families. Children's education and socialization has been upended. Women have lost careers. We miss aging parents and adult children. Many Maine families mourn loved ones who died or are disabled due to COVID-19. Where do we go from here?

Forward, making the most reasonable decisions we can in an unpredictable world. We know that Medicaid and CHIP provide child-centered health care that is proven to have significant, measurable benefits for children based on research. Being enrolled in Medicaid/CHIP in early childhood (under age 6) led to improvements in health as an adult, measured by an index that included high blood pressure, diabetes after age 18, heart disease or heart attack, and obesity. M.H. Boudreaux, E. Golberstein, and D.D. McAlpine, "The Long-Term Impacts of Medicaid Exposure in Early Childhood: Evidence from the Program's Origin," *Journal of Health Economics* 45 (January 2016): 161-175. A 50% increase in Medicaid/CHIP eligibility for children at birth improved reading test scores in the 4th and 8th grades by an estimate of 3 points on a base of 239. P. B. Levine and D. W. Schanzenbach, "The Impact of

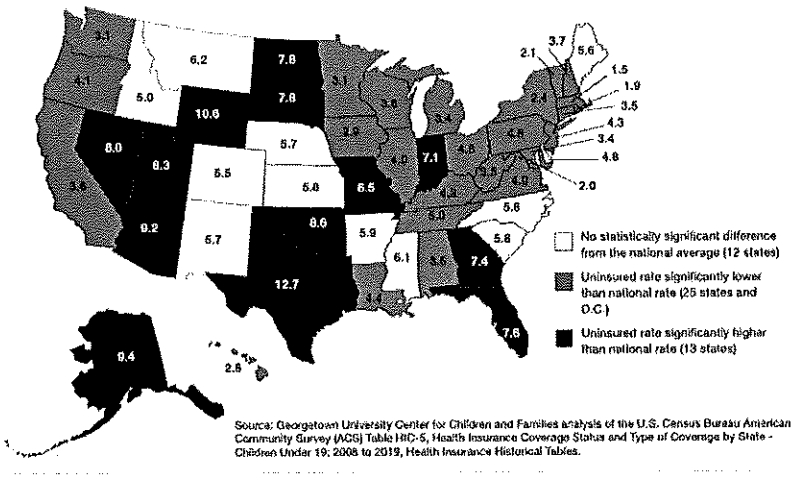
Children's Public Health Insurance Expansions on Educational Outcomes," National Bureau of Economic Research, (January 2009).

We also know that employer sponsored insurance (ESI) is unaffordable to many parents and unavailable to those in the gig economy. For parents who have ESI, the rate at which premium contributions, co-pays and deductibles have increased far outpaces wage increases. A Kaiser Family Foundation study found that annual family premiums for employer-sponsored health insurance rose 5% to average $19,616 in 2018. Health insurance costs rose twice as fast as workers' earnings over the preceding decade. And the burden of deductibles rose 212% over the last decade, eight times as fast as wages over the same period.

We know children who lack access to affordable health care often don't have a primary care provider, have delayed health care, and have unmet medical needs compared to children with insurance. And uninsured children with common childhood illnesses and injuries don't receive the same level of care as insured children. They also are at higher risk for preventable hospitalizations and missed diagnoses of serious health conditions. Families of uninsured children face unaffordable medical bills that increase financial insecurity.

And finally, we know Maine leaves federal health care dollars on the table to the detriment of our children.

Figure 5. 13 States Had Significantly Higher Rates of Uninsured Children than the National Rate in 2019



Source: Georgetown University Center for Children and Families analysis of the U.S. Census Bureau American Community Survey (ACS) Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19; 2008 to 2019, Health Insurance Historical Tables.

Maine's CHIP program covers children with family incomes up to 200% of the federal poverty level (FPL). The federal CHIP program will fund about 80 percent of the cost of CHIP insurance for families up to 300% FPL. Maine's rate of uninsured children is 5.6 percent, essentially the national average. Our New England neighbors do much better, covering families up to or beyond 300% FPL. Massachusetts has the lowest uninsured rate in New England, at 1.5 percent, while New Hampshire has the second highest, with an uninsured rate of 3.7 percent.

Summary of LD 372

What the Bill Does	Significance
• CHIP eligibility changes from 200% to 300% FPL.	➢ Leverages federal match up to 300% FPL to improve Maine's rate of insured children.[1]
• Parents no longer pay premiums for CHIP.	➢ Removes barriers that are offset by decreased enrollment, cost of ER care, and administration.[2]
• Children are not subject to waiting period.	➢ Maintains continuity of coverage and reduces the 'churn' that disrupts care.[3]
• Confirms that no asset test applies.	➢ Consistent with federal ACA regulations.[4]
• Coverage made available to young people 19 and 20 years of age.	➢ Brings CHIP closer to ACA and foster child coverage, which last to age 26.[5]
• Noncitizen children receiving only Emergency MaineCare become eligible for CHIP.	➢ Gives children access to preventive and primary care regardless of immigration status.[6]

CHIP gives Maine a cost-effective way to provide more children access to affordable health care, but here's the most important reason to use CHIP as a framework for insuring children: CHIP helps children reach their full potential.

- CHIP provides a comprehensive child-focused benefit: the Early and Periodic Screening, Diagnostic, and Treatment benefit (EPSDT). It is designed to ensure that children receive recommended preventive screenings, follow-up diagnostic assessments, and all medically necessary services that health care providers deem essential to prevent, treat or improve the diagnosed condition.
- CHIP reduces infant and childhood mortality, because it leads to greater utilization of preventive and acute health services.

---

[1] https://www.kff.org/medicaid/fact-sheet/summary-of-the-2018-chip-funding-extension/
[2] https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/
[3] http://files.kff.org/attachment/Report-Medicaid-and-CHIP-Eligibility-Enrollment-Renewal-and-Cost-Sharing-Policies-as-of-January-2018
[4] http://files.kff.org/attachment/Report-Medicaid-and-CHIP-Eligibility-Enrollment-Renewal-and-Cost-Sharing-Policies-as-of-January-2019
[5] http://files.kff.org/attachment/Report-Medicaid-and-CHIP-Eligibility-Enrollment-Renewal-and-Cost-Sharing-Policies-as-of-January-2019
[6] http://www.ncsl.org/research/immigration/immigrant-eligibility-for-health-care-programs-in-the-united-states.aspx

Research has also linked CHIP coverage in childhood to long-term benefits, including:

- Improvements in educational outcomes at the elementary, high school and college levels.
- Reduced high school dropout and increased college attendance and completion rates.
- Decreased probability of debt and bankruptcy for families, shielding children from poverty and reducing their exposure to adverse childhood experiences that can influence their health in later life.
- Economic benefits in adulthood, including increased employment and higher tax payments (one study found that each additional year of Medicaid eligibility from birth to age 18 increased cumulative tax payments by $186 and reduced cumulative Earned Income Tax Credit receipts by $75).

This is the right time for Maine to use CHIP as a framework to provide our children access to affordable health care. Maine children, and our state, stand to benefit significantly from the short and long-range impacts of CHIP coverage. We will need Maine appropriations to cover our 20%, as well as 19 and 20 year olds, and a small number of children who only qualify for Emergency MaineCare because of their immigration status. It's important to evaluate that cost and the significant benefit of enrolling more children in CHIP, to achieve the best outcome we can for Maine children.

Thank you for your thoughtful consideration of LD 372. I am happy to answer your questions.