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Commentary
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Today, there is exciting news to share about children's health care. The United States and Maine in particular have embarked upon a major new initiative to help thousands of the nation's children who currently lack any form of health-care insurance. Specifically, Maine has adopted two new health-care programs: one that expands Medicaid coverage, and a second that is unique to Maine, called 'Cub Care." Combined, these initiatives have the potential to cut the number of uninsured Maine children by almost half. In practical terms, they mean that more Maine families now have the opportunity to appropriately utilize a primary care provider, which will result in health care for their children that is accessible, continuous, comprehensive, and family-centered.

Like any new initiatives, these efforts will only succeed if people know about them. In my recent travels as a state senator, I have been encouraged to learn that Maine's early efforts to spread the word already are taking effect, and many more Maine families are applying. This commentary represents one of my many efforts to get the word out, and is intended for those who have not yet heard about these initiatives.

Facing the Problem

Nationally, children are the single largest and fastest-growing demographic group without health insurance. This trend is evident in Maine as well. According to the *Wall Street Journal* (March 11, 1998), Maine has the highest percentage of uninsured children in New England. In fact, about one out of every eight children in Maine lacks health-care coverage amounting to, roughly, as many as 35,000 - 40,000 children statewide.

The reasons for this high number vary. According to the Maine Children's Alliance, 33% of uninsured children in Maine (10,000-13,000 children) are probably eligible for Medicaid-the state and federal health-care program for the low-income young and elderly, and the disabled-but, for a variety of reasons, these children fall into the eligible-but-not-enrolled category. In addition, according to the Employee Benefit Research Institute, the percentage of children with employment-based coverage dropped from 67% to 59% between 1987 and 1995.

There are a number of reasons that explain why some 10,000 children are eligible for Medicaid but are not enrolled. They include:

- **Too Little Outreach.** Parents simply do not know that their children are eligible for Medicaid for the simple reason that no one has informed them.

- **Misunderstandings.** Some parents presume that because they are not eligible for welfare (now known as Temporary Assistance for Needy Families), their children are not eligible for health care under Medicaid.
- **Medicaid Stigma.** Parents have been informed of their eligibility for Medicaid yet they choose not to apply because of the Medicaid "stigma."
- **Application Process.** Until this year, applications were lengthy and cumbersome.

Still another population of children live in families who make too much to qualify for Medicaid yet not enough to absorb and afford the costs of health-care coverage for their children. To get a picture of who these families are, here are some telling facts:

- At least one parent works in roughly 85% of Maine families who lack health-care coverage for their children.
- Over 50% of this group has a primary parent who works full-time throughout the year.

In either case, income has been too high to qualify for Medicaid and too low to purchase health-care coverage on their own. Some employers help with dependent health care but we are increasingly seeing limited offerings with children often being the first ones dropped.

Sadly, as many as 30,000 Maine parents have fallen through these cracks and have no coverage for their children. Many of these working parents read about the increasingly limited benefit packages offered at work and decide, like employers, that their children can be dropped. These parents make a considerable gamble, hoping that their children will not get sick or hurt, while using the available health-care money on rent, mortgage, food, or school costs. Without health-care coverage, many of these parents try to choose low-risk activities for their children, sometimes going so far as to limit their children's participation in sports in order to avoid the cost of required physicals. This would be understandable if it weren't that such decisions also limit their children's full participation in the social life of school.

Mostly, these parents hope and pray that nothing serious happens to their children's health, or invest in a medical manual, do their own research, and play doctor on their own in the hopes of accurately diagnosing their children's ailments. In short, with health costs going up and benefit packages at work going down, they simply have not been able to find affordable health care insurance for their children.

One place where the effects of having uninsured children are most visible is in the state's emergency care system. Hospital data suggest that a significant number of Maine's 48,000 emergency room visits by children each year involve families who have no primary care provider and simply have to rely on the emergency room for treatment. In fact, more than one-third of all children's emergency visits are for ear infections. Another third can be accounted for by severe colds, sore throats and asthma visits. In other words, a full two-thirds of children's emergency room visits could be avoided by being handled more appropriately, earlier and, consequently, much less expensively in a primary care setting. Yet, such health care insurance coverage has become too expensive for many parents. In short, lack of coverage has cost all of us - the kids, the parents and all of society

Federal Initiative

Maine's efforts to solve this problem are not entirely unique; similar initiatives are occurring at various levels around the country. Behind the scenes, Marian Wright-Edelman of the Children's Defense Fund led organization efforts and obtained bipartisan sponsorship of a children's health care coverage bill. It was added to the Balanced Budget Amendment and funded, at least in part, by a thirty-four cent federal tobacco tax. Maine's Congressional delegates were unanimous in their support for the bill.

As a result, Maine receives what is known as an "enhanced match" from the federal government that pays 76.06 cents for every dollar Maine invests in Cub Care. The state's payment for the 24.94% portion has been achieved by dedicating the estate taxes from the late philanthropist Betty Noyce to a special Children's Health Reserve Account.

Federal law also mandated that Maine develop a state plan. So, last fall the Children's Health Commission a multi-partisan group of elected and appointed officials, along with private and nonprofit sector professionals, designed a system and named it "Cub Care" (after the Maine Black Bears, of course).

Maine's Plans

The state's plans feature: 1) a Medicaid outreach and expansion effort to cover all children in families with incomes up to 150% of the federal poverty level; and, 2) the Cub Care program, which will cover families with incomes up to 185% of the federal poverty level. In ballpark terms, Cub Care is available to families of three making $25,000 annually, families of four making $30,000 annually, and families of five making $35,000 annually. Table 1 provides more information about the income levels at each level of eligibility.

TABLE 1

Size of Family Unit	Percent of Federal Poverty Income Guideline Levels	
	150%	**185%**
1	$11,835	$14,597
2	15,915	19,629
3	19,995	24,661
4	24,075	29,693
5	28,155	34,725
6	32,235	39,757
7	36,315	44,789
8	40,395	49,821

According to information from the Department of Human Services (DHS), both the expanded Medicaid program and Cub Care will cover the following services:

- Regular office visits, including well checkups and sick visits, preventive health care and some surgery at rural health clinics;
- Hospital care, including inpatient/outpatient care, emergency care, ambulance services, nursing facilities, labs and x-rays, and surgery;
- Therapies, including speech/ language, vision screening and eyeglasses, hearing tests and hearing aids, physical and occupational therapy and mental health and substance abuse services;
- Other services, including chiropractic services, dental work, developmental and behavioral services, medical equipment and supplies, family planning, screening for sexually transmitted diseases, prescriptions, day nursing, and personal care;
- For mothers and children, additional services, including early intervention, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), prenatal and post-natal services, midwifery and delivery.

All will appreciate knowing, too, that plans include an intensified outreach effort. Based on our past mistakes, we are directing these outreach efforts to those parents who, for whatever combination of reasons, do not know about their eligibility have not applied, or did not survive the application process. Further, we have a specific amount of funds set aside for these outreach efforts to find these families. Last, but not least, the new law also includes a directive to simplify the eligibility application form. As a result, the Department of Human Services now has a much simpler, one-page application.

Cub Care

The Cub Care benefit package will mirror the Medicaid delivery system, providing benefits through the same health plans. Like the Medicaid program, there will be no co-payments or deductibles; pregnant women will be presumed eligible as a way to ensure pre-natal treatment; children will be enrolled for six months at a time. If a child is no longer eligible, coverage may be purchased and extended for eighteen months. Lastly and very importantly, DHS has the authority to monitor progress, and make adjustments to ensure maximum use of Cub Care.

Mandatory premiums will kick in only for those families that fall at or above 150% of the federal poverty level. These premiums will be on a sliding scale and could be as low as $60 for one child at 150% of the federal poverty level or as high as $360 for a family at 185% of the federal poverty level. Grace periods for premium non-payment will be limited. Families who fail to pay their premiums are entitled to two reminder notices and a grace period before they are dis-enrolled. They also are entitled to a hearing, so they can dispute their dis-enrollment on the grounds of failure to pay.

Finally, some fear that parents of eligible children who already have coverage in the private sector will want to switch or jump over to the Cub Care program. This is called the "crowd out" issue. To address this, the new Maine law specifically excludes eligible individuals who already have group health coverage or coverage under the state employee health plan. In addition, Maine

has imposed a three-month waiting period for those who have recently been insured. However; we will make special allowances for dependents of workers whose employers pay less then 50% of the costs of dependent coverage and families whose costs for dependent coverage exceed 10% of their income. DHS also has the flexibility to grant "good cause" exemptions.

Conclusion

There is ample reason to believe that Cub Care and an expanded Medicaid program will lead to more preventive care as well as early intervention care. In real-life terms, Cub Care will allow parents to get their children to a doctor long before the earache results in long-term inner-ear damage, or before the sore throat turns into strep throat. But the benefits will not only be for children and parents; indeed, declines in emergency room visits will result in fewer emergency room costs being passed on to others. Also, less absenteeism in the workplace as a result of parents staying home with sick children will result in savings to employers. In short, all parents who have found themselves in the situation of having to worry and to gamble by going without health-care coverage for their children can now breathe sighs of relief

A Bangor Daily News editorial (December 31, 1997), commented that "providing more children with health coverage is an act that is both good for the kids and good for the state." They are exactly right. For those of us in Maine who consider children to be our most important investment, these initiatives offer wonderful and exciting opportunities, as healthier opportunities for Maine's children should make us all feel better about our present and our future.

Parents can obtain more Information by calling their local DHS office.

In addition to her duties in the Maine Legislature, Senator Susan W. Longley (Waldo) serves on the State of Maine's Children's Health Commission and the National Conference of State Legislatures' Children's Health Insurance Advisory Group.

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