



February 20, 2009

Children's health insurance bill stuck in legislative sausage grinder?

by Marc Homer, Kids Count Director, Wyoming Children's Action Alliance

"Laws are like sausages. It's better not to see them being made." - Otto von Bismarck

As a child advocate who has analyzed the benefits Wyoming would reap from extending the SCHIP program to more children, I winced when I learned this morning that Senate File 39 was in danger of getting stuck in the legislative sausage factory.

The recently elected President ended the federal logjam on SCHIP by reauthorizing the program after it had been held up by presidential vetoes for nearly two years. At the height of the SCHIP reauthorization debate, 43 Governors supported this bipartisan effort, including Wyoming's Dave Freudenthal. Federal SCHIP reauthorization cleared the way for states to increase eligibility limits so that they could enroll more kids.

Wyoming's Equality Care and Kid Care CHIP programs have been very successful in helping to insure more kids from the target population, those from poor and low-income families. Despite this success, the percentage of uninsured children in families from income brackets never eligible for government sponsored insurance increased from 1995 to 2005.

Working parents in Wyoming earning between 200 and 300 percent of the federal poverty level (FPL) are often unable to provide health insurance for their children. Wyoming Senate File 39 was introduced with the aim of helping parents securely know that their children's health care needs will be met. If passed into law, the SCHIP program would become more equitable by covering more children across income brackets.

When I last dared to peek in on the process at the legislative sausage factory, Senate File 39 had just come out of a Senate Committee amended so that only kids in families earning up to 250% FPL would be eligible and that their parents would be required to help pay the premiums. By the time SCHIP sausage worked its way over to the Senate floor (I bravely listened to the legisweb audio feed in my office), it had been amended to allow coverage up to 300% poverty with the added stipulation that parents offered Employer Sponsored Insurance (ESI) plans would not be eligible. This change was made to address concerns voiced by some lawmakers about "crowd-out" (the fear that

employees would drop their ESI plans for SCHIP). This concern is not documented in the research and Wyoming is ranked 45th in the nation for the low percentage of employers offering health insurance to their employees. Only 58 percent of Wyoming private sector employees are eligible for an ESI plan and just 47 percent of all employees are enrolled.

It's no wonder that few employers (especially small business owners) offer ESI plans and that few employers enroll in it when the average total family premium per enrolled employee rose 75 percent in inflation adjusted dollars from \$6919 in 1998 to a whopping \$12,087 in 2006. During the same time period, the average total employee premium for family coverage increased 37 percent at businesses offering ESI plans.

When the SCHIP sausage finally made its way out of the Wyoming Senate, eligibility had been increased to allow children in families up to 300 percent poverty to receive coverage. Parents in families earning above 200 FPL would be required to pay part of the premium and those offered ESI plans by their employer would not be eligible. In my opinion, this was not the perfect sausage but it was something that Wyoming families could definitely sink a fork into. More children would be eligible for quality, affordable health insurance during uncertain economic times.

Now I'm told that time is running out at the legislative sausage factory and that production on the SCHIP sausage has come to a grinding halt. I can only hope, on behalf of Wyoming children and families that influential members of the house who hold the levers of political progress will fire up the engines and keep that sausage rolling on down the line.