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State expands All Kids program beginning Oct. 1

Will help bridge gap for the uninsured

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KIM CHANDLER
News staff writer

MONTGOMERY - Alabama health officials expect to sign up thousands of more children for All Kids, the state's subsidized health insurance plan, when they roll out a major program expansion next month.

Beginning Oct. 1, coverage will expand to families making up to three times the federal poverty level, \$66,156 for a family of four. The current coverage is two times the federal poverty level.

"It is the first eligibility expansion since we started All-Kids," said Cathy Caldwell, director of the bureau of children's health insurance with the Department of Public Health.

"With this expansion, the vast majority of uninsured children will be eligible for Medicaid or All Kids. It is very exciting," Caldwell said.

Now, 68,971 children are enrolled in All Kids. Caldwell estimates 14,000 more children will be eligible under the expansion. The Department of Public Health expects to sign up 10,000 to 12,000 of those children over the next 12 months, she said.

The expansion will cost the state about \$7 million, Caldwell estimated. Most of the program is funded with federal dollars.

Families on All Kids, Alabama's program under the federal Children's Health Insurance Program, are not considered low income, Caldwell said. CHIP was started to bridge the gap for families who earn too much to qualify for Medicaid but don't have or can't afford private health insurance, she said.

Jim Carnes, communications director for Alabama Arise, said the expansion takes All Kids to income levels Alabama is not accustomed to serving in public programs, but Carnes said that is not a bad thing. The 2007 median household income in Alabama was \$40,596.

Fills a gap:

"The fact of the matter is these are working families who don't have employer coverage and can't afford private insurance," Carnes said. "Especially in this economy, a lot of families are finding themselves without employer coverage. This is designed to fill that gap."

According to the National Academy for State Health Policy, 12 states already offer coverage to families at 300 percent of the federal poverty level or higher. At least six others have approved going to that level.

"Alabama is a leader in children's coverage," said Maureen Hensley-Quinn, a policy specialist with the academy. Hensley-Quinn said Alabama has also been innovative in getting and keeping children enrolled.

Congress provided more money to CHIP by raising tobacco taxes. Alabama legislators approved the expansion when they put matching funds in the General Fund budget for the fiscal year that begins Oct. 1.

Political battle:

But there has been a political battle, both in Washington and at the state level, over the expansions. Gov. Bob Riley in May vetoed the budget that included the insurance expansion, but legislators overrode the veto and approved the budget over his objections.

Riley spokesman Jeff Emerson said the Riley administration supported All Kids but questioned expanding a government program to those income levels while other state services were being cut. Riley vetoed the budget for a number of reasons, Emerson said, including that it funded legislators' "pork projects."

"Why should a family making \$44,000 a year be forced to pay for health insurance for a family making \$66,000 a year?" Emerson said.

State Sen. Roger Bedford, chairman of the Senate General Fund budget committee and a Democrat from Russellville, said he was proud legislators overrode the governor's veto.

"It was the right thing to do," he said.

"A healthy child learns better. They don't show up at the emergency room needing emergency care because they've had acute care," Bedford said.

Families on All-Kids pay annual premiums based on their income. The premiums are up to \$100 per child, with a cap of \$300.

E-mail: kchandler@bhamnews.com