



Health Care Reform: What It Means for California's Children

With the passage of federal health care reform and the soon-to-pass revision package, more California children will gain coverage and important protections to keep meaningful health insurance. Here are some of the major impacts:

MORE CHILDREN WILL GAIN COVERAGE

Children will no longer be denied coverage due to pre-existing conditions: Starting within months of enactment, health insurance plans will not be allowed to deny coverage to children due to pre-existing conditions.

Subsidies are available to families to purchase insurance through the Exchange: Starting in 2014, families with incomes up to 400% of poverty (\$73,240 for a family of 3) qualify for subsidies to make purchasing health insurance more affordable. This will potentially impact hundreds of thousands of uninsured California children.

More parents will now qualify for Medi-Cal: Starting in 2014, Medicaid coverage is extended to all adults up to 133% of poverty (\$24,360 for a family of 3). While children below that income level already qualify for state insurance, more than half of uninsured children in California are eligible for state health insurance but are not yet enrolled. Research shows that insured parents are more likely to enroll their uninsured but eligible children.

Health insurance subsidies for small businesses will increase access for families: Many uninsured children have parents working in small businesses that are currently not able to offer insurance. Tax credits (starting this year), plus the availability of group coverage in the Exchange, will help small businesses provide coverage for their workers and their families.

More large employers will be incentivized to cover their workers: Employers with more than 50 workers will pay a per-employee fee if they do not provide insurance and their employees receive subsidies for Exchange coverage. With only 46% of children in California currently getting their coverage from employers, this new employer responsibility may increase the number of children who can access employer-sponsored coverage.

Most families will be required to have health insurance for their children and themselves: As part of individual responsibility, starting in 2014 families will be required to have health insurance. The poorest families are exempt as are those for whom no affordable insurance is available.

CHILDREN'S CURRENT COVERAGE AND HEALTH CARE WILL BE PROTECTED AND STRENGTHENED

States must maintain current coverage for children's health insurance: Children currently eligible for Healthy Families or Medi-Cal will continue to qualify – without new waiting lists, cuts to eligibility income levels or increases in premiums. In 2015, California will receive an 88% federal match for Healthy Families children.

Higher payment rates for pediatricians will improve access to health care: Medicaid must pay pediatricians and other primary care providers at Medicare rates in 2013 and 2014, and the rate increase will be 100% federally funded.

Private insurance will no longer have annual or lifetime limits on benefits: As a result, children and families will not lose coverage benefits when they need it most.

No cost sharing for preventive care: All health plans will have to offer preventive care, such as well-child care and immunizations, without cost-sharing for the family.

Young adults will be able to continue family coverage up to age 26: Effective 6 months from enactment, dependents who are covered under their parents' group health plan will be able to keep their coverage through age 26.

Former foster care children will receive Medicaid EPDST benefits.

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