

# Delaware Developmental Disabilities Council

Margaret O'Neil Building, 2nd Floor  
410 Federal Street - Suite 2 Dover, Delaware 19903  
Phone: 302.739.3333 ♦ Fax: 302.739.2015 ♦ Delaware Help Line: (800) 464-HELP (4357)



To: Delaware General Assembly  
From: Developmental Disabilities Council  
Date: May 15, 2009  
RE: H.B. No. 139 (CHIP "Buy-in" Option)

The Developmental Disabilities Council has reviewed H.B. No. 139 CHIP "Buy-in Option. The DD Council **strongly endorses** H.B. No. 139.

H.B. 139 is well summarized in the attached May 1, 2009 News Journal article. CHIP eligibility is currently limited to households with income below 200% of the FPL. This bill would allow households with income above the cap to "buy-in" to CHIP through payment of a premium to be determined by DHSS. According to the article, the premium is expected to be approximately \$110 per month. DHSS would also establish co-pays and deductibles (lines 17-19). The article includes the interesting observation that "no insurance companies in the state allow parents to buy coverage for only children, and instead require the purchase of an entire family plan, which is often prohibitively expensive."

Enrollment would be limited to children uninsured by a continuous period of at least 3 months unless: 1) the parent is receiving unemployment benefits; 2) the child's insurance was involuntarily lost; or 3) the child is transferring from one government-subsidized health care program to another (lines 9-16).

We suggest the following amendment.

The bill refers to "family" applications for CHIP eligibility (lines 4, 6, 9, and synopsis). In contrast, two of the exceptions to the 3-month uninsured status requirement are limited to a parent (lines 12 and 14). Many children are being raised by grandparents; other relatives; or non-relative, court-appointed custodians. Compare Title 14 Del.C. §202. The State CHIP regulations do not ostensibly limit eligibility to parent applications. See 16 DE Admin Code 18300, 1844, and 16240. Cf. 16 DE Admin Code 18200.3 which recites as follows:

A child who has a family member who works for a public agency within Delaware and is



eligible to participate in the State health benefits plan with an employer premium subsidy is not eligible for DHCP. Family member is defined as the parent of the child or the individual who has legal custody of the child.

The sponsors may wish to consider expanding the reference to “parent” in lines 12 and 14. One option would be to refer to “parent, custodian, or relative caregiver as defined in section 202 of Title 14 of the Code”. Alternatively, a more encompassing reference would be “parent or other member of the family budget unit”. Compare 16 DE Admin Code 16240 applicable to the CHIP:

The budget unit is composed of various adults who are legally/financially responsible for each other and various children (related or unrelated) for whom the adults have legal responsibility or for whom the adults have accepted parental-like responsibility.

The latter option is preferable since the unemployment or loss of insurance of persons whose income is counted towards the 200% FPL cap in the budget unit affects the family’s ability to provide child health insurance.

We thank you in advance for your consideration of our comments. Should you have any questions regarding our remarks please contact our office at 739-3333.

cc. Lt. Governor Matt Denn

Chad Robinson, Aide

State Council for Persons with Disabilities

Governor’s Advisory Council for Exceptional Citizens



May 1, 2009

## Plan would expand kids' health coverage

Proposed law targets state's uninsured children

By *GINGER GIBSON*  
*The News Journal*

DOVER -- Parents would be able to purchase health insurance for their children from the state under a proposal introduced Thursday by Lt. Gov. Matt Denn and two members of the Legislature.

Denn, along with Rep. Terri Schooley, D-Newark, and Sen. Patricia Blevins, D-Elsmere, wants to allow all parents, regardless of income level, to enroll their children in the Delaware Healthy Children Program, the state's low-cost program for uninsured children. The program is for households earning 200 percent of the poverty mark or less and provides medical coverage for a low premium, between \$10 and \$25 a month.

House Bill 139, which the sponsors are calling "Delaware Covers All Kids," would allow all children into the program at no additional cost to state taxpayers.

<http://delaware.momslikeme.com/members/journalactions.aspx?g=247320&m=5025970> style="font-family:arial; font-size:16px; font-weight:bold; color:#385EA2">Join local moms talking about this story at MomsLikeMe.com.

Denn said parents who earn more than the program's income requirement would pay a premium to cover the cost of the medical treatment, similar to the structure of private insurance. The state would establish a premium based on the known average cost of providing medical care to children already in the program, about \$110 a month.

"Delaware Covers All Kids will allow us to take advantage of an established program," he said.

During his campaign, Denn said making health insurance available for all children in the state was a top priority. The Delaware Covers All Kids name was chosen in hopes it will encourage more parents who are income-qualified but have not enrolled to get their children into the state health insurance program.

Schooley said growing unemployment in the state makes it likely that more children are losing health coverage along with their parents. She said her own son-in-law recently lost his job and when he inquired about participating in COBRA to keep medical coverage, learned it would cost \$1,300 a month for two adults and two children.

Denn said no insurance companies in the state allow parents to buy coverage for only children, and instead require the purchase of an entire family plan, which is often prohibitively expensive.

Denn said the legislation also includes rules that would prevent parents from removing their children from their employer's insurance program and putting them on the state rolls to save a few dollars.

The legislation would limit the program to children who have been without coverage for three months, unless the parent recently became unemployed, saw their coverage involuntarily terminated, or are switching from another state's low-income health insurance program.