

Foster's Daily Democrat: N.H. could be only state to charge poorest citizens Medicaid fee

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MANCHESTER, N.H. (AP) - A proposed budget cut would make New Hampshire the only state in the nation to charge its poorest parents for health insurance for children under the state-federal Medicaid program.

The state also is proposing to exclude working poor families who have too many assets from a separate Healthy Kids insurance program for working parents, something critics consider just as worrisome.

Advocates say the moves would drive families that need it the most from the programs. Participation rates plummeted after similar measures were taken by other states to control the costs of Medicaid, whose spiraling costs are causing budget crises in states around the country.

Supporters of the New Hampshire proposals say tough fiscal times demand tough solutions, though these specific steps may not be the solution.

"In order to balance the budget, you do all sorts of things to try to bring issues to the fore," said state Rep. Neal Kurk, who believes the poor should be more responsible for their care. "The problem is real. The solution we've come up with is probably not as good as it needs to be."

In fact, the House Finance Committee last week withdrew its support for both proposals, but both are far from dead. Whether the cuts become law won't be known until June. Federal approval also would be needed.

The proposed monthly Medicaid premium would be \$10 to \$20 per child depending on family income. Families with no income would still be asked to pay, but no family would have to pay for more than three children.

The moves would save the state roughly \$12 million over the next two years in a nearly \$9 billion budget, about one-tenth of 1 percent.

Other states are struggling to cut Medicaid, which is on track to eclipse education as the biggest single expense for states.

Last year, Washington state got federal permission to charge some Medicaid families premiums, but has not done so. New Hampshire's proposal would go much farther, however, in proposing that all Medicaid families - even those with no income - pay.

"There is no state that goes down to zero for kids," said Cindy Mann, a Georgetown University research professor who has done a number of national studies on health care and Medicaid.

She said low-income families are extremely sensitive to even small

changes in premiums, co-payments and other charges, and charging a premium would cut enrollment.

Mann said when Oregon began charging \$6 to \$20 a month for low-income adults on Medicaid two years ago, enrollment dropped in half in less than a year - from 100,000 to 51,000.

New Hampshire predicts a drop of 5 percent, about 3,000 kids out of the 63,000 now covered.

Healthy Kids is a companion program that lets working families buy inexpensive health insurance for their children only. New Hampshire also is considering joining a handful of states that limit the assets a family can have and still qualify for Healthy Kids, which covers visits to doctors and dentists and medications.

The state is contemplating an \$8,000 limit. One vehicle per adult, the family's home, household furnishings, personal possessions and some retirement accounts would not be counted. Savings and cash would be counted, as would land or homes in which the family was not living. Both of the latter would have to be sold within a year.

Manchester residents Lisa and Eric Hanel consider themselves a typical working family struggling to stay off welfare. They would lose Healthy Kids coverage for their two children if the asset test becomes law because they sold their home this year.

If they still lived in the house, their stake in it would be exempt. But they put the sale proceeds - \$37,000 - into savings in hopes of buying another home in five or six years.

"We sold it because we couldn't afford it anymore," Lisa Hanel said.

They said their combined income of \$42,000 isn't enough to cover food, rent, utilities, telephone service, clothing and household expenses, transportation, personal expenses, school expenses and a small contribution to save for another house AND private health insurance.

Lisa Hanel's employer, a child care center, does not offer health insurance. Eric Hanel's employer, Villa Crest Retirement Community, does, but the family policy for themselves and their children would cost about \$520 per month for benefits comparable to those they for their children only through Healthy Kids. That coverage costs \$50 a month.
