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Policy Roundtable Focuses on Maximizing Opportunities for Children's Health Coverage

Most Rhode Island children have health insurance coverage (93%) but there are 17,000 children who continue to be uninsured.

Of insured children, two-thirds have health coverage through a parent's employer and slightly less than one-third have insurance through Rlte Care.

Report highlights that families are facing increased eligibility and affordability barriers in both the employer-sponsored market and through Rlte Share and Rlte Care.

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**Providence, RI** – Rhode Island leaders gathered to discuss trends in children's health insurance coverage in Rhode Island at a policy roundtable today, **Monday, October 27, 2008 at 2:00 p.m.** at Rhode Island KIDS COUNT, One Union Station, Providence. The roundtable highlighted findings of a new report by the New England Alliance for Children's Health (NEACH) at Community Catalyst and Rhode Island KIDS COUNT entitled, *"Almost There: Covering the Remaining Uninsured Children in Rhode Island."* The report examines some of the strengths and limitations of the major sources of health insurance coverage for children in Rhode Island and recommends ways to maximize opportunities to provide all children with comprehensive, affordable health coverage through a combination of employer-sponsored insurance and public health insurance programs, such as Rlte Care and Rlte Share, which are funded through a federal-state partnership.

In releasing the report, Elizabeth Burke Bryant, Executive Director of Rhode Island KIDS COUNT, noted, "Rhode Island has long been a leader in children's health coverage. Now is the time to keep our focus on maintaining the effective mix of employer-sponsored insurance and access to Rlte Care and Rlte Share that has been such a policy success. In difficult economic times, it is even more important to make sure that families continue to have the health security that comes with affordable, comprehensive health coverage." Ms. Bryant continued,

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“Access to either employer-sponsored coverage or RItE Care/RItE Share can help families maintain health insurance coverage as they transition in and out of the workforce due to job losses in a challenging economy. Without access to affordable health insurance, families may be forced to forego health insurance in order to maintain their housing, pay for food and heat, or meet other basic needs.”

The report notes that comprehensive health insurance coverage is becoming increasingly unaffordable for many families in Rhode Island. Rhode Island has the 2<sup>nd</sup> highest annual health insurance premiums for family coverage in the country (\$11,934) through employer-sponsored insurance (ESI) coverage. Monthly premiums for families enrolled in RItE Care and RItE Share were increased in the last legislative session. Monthly premiums will now be paid by families with lower incomes than ever before, families with annual incomes between 133% FPL (\$23,308 for a family of three) and 149% FPL (\$26,399 for a family of three). Existing premiums were increased for families earning annual incomes between 150% FPL (\$26,400 for a family of 3) and 250% FPL (\$44,000 for a family of three).

In a presentation in which she put Rhode Island’s children’s health insurance rates in a regional and national perspective, Amy Rosenthal, Project Director at the New England Alliance for Children’s Health, noted, “New England has led the way in children’s coverage. Rhode Island is truly almost there in covering all kids. With fewer than 17,000 uninsured children remaining, Rhode Island is one of the states with the fewest total number of uninsured children. If Rhode Island maintains its long-held commitment to children’s health coverage as a policy priority and makes some small policy changes, Rhode Island can be among the leaders in the country in ensuring that *all* children have the health coverage they need to grow and learn.”

The report includes the following highlights:

- About two-thirds of children (160,667) living in Rhode Island are covered through employer-sponsored health insurance; slightly less than one-third are covered through public health insurance programs including Medicaid, RItE Care and RItE Share (72,000); and the remaining insured children have coverage through the direct purchase of insurance in the individual market (9,667) or through other non-Medicaid government health insurance programs, such as Medicare (7,333).

- Of the approximately 17,000 uninsured children in Rhode Island, approximately 38% live in families earning more than 250% FPL (\$44,000 for a family of 3). Families at these income levels are likely working and ESI is likely their major option for insurance. For the uninsured children in families at this income level, it is most likely that their parents' employer(s) do not offer ESI, they are not eligible for it, or they cannot afford it.
- Approximately 62% of uninsured children in Rhode Island are eligible for RItE Care based on their family income (less than 250% FPL or under \$44,000 for a family of three), but are not enrolled in the program. These children may not be enrolled in RItE Care because their family cannot afford the premium, they do not know about the program or that they would qualify, they have not completed the application requirements, or they are not eligible due to immigration status, including legal permanent resident children in the U.S. less than five years and undocumented children.
- Families in Rhode Island are paying more and more for health coverage, regardless of whether it is employer-sponsored coverage, RItE Share, RItE Care or direct purchase.

The policy brief recommends that Rhode Island address eligibility and affordability barriers to children's health insurance coverage through three sets of strategies:

- **Bolster employer-sponsored health coverage** by providing assistance and incentives to small and large businesses to offer and contribute toward health insurance coverage as a benefit to all employees (including part-time and seasonal employees) upon hire with no waiting period and implementing the "Health Hub" passed during the 2008 legislative session. The Health Hub would pool employer contributions and allow families to access health insurance products geared to those who are under-insured.
- **Strengthen and expand RItE Share**, Rhode Island's successful premium assistance program that helps to strengthen the enrollment of low-income and moderate-income families in employer-based coverage by helping them to afford it. Recommendations include restoring RItE Share/RItE Care eligibility for parents to 185% FPL (eligibility for parents was reduced to 175% FPL starting October 1, 2008, reducing the number of families eligible for RItE Share); revising the premium increases and obtaining federal approval to allow the state to obtain information about benefits offered by businesses in

order to qualify more health plans for the program; and expand Rlte Share to all families earning less than 300% FPL to help them afford employer-sponsored insurance.

- **Restore, preserve and strengthen Rlte Care**, including maintaining comprehensive Rlte Care benefits for children, parents and pregnant women; revising recent Rlte Care/Rlte Share premium increases; restoring parent eligibility to 185% FPL; eliminating administrative barriers preventing eligible children from enrolling in the program; allowing all children under 300% FPL to enroll in Rlte Care; creating a Rlte Care “buy-in” program for families with incomes above 300% FPL who do not have access to affordable employer-sponsored health insurance; and restoring Rlte Care eligibility for all children who qualify based on family income, regardless of immigration status (including legal permanent resident children in the U.S. less than five years and undocumented children).

Elizabeth Burke Bryant noted, “More than two-thirds of Rhode Island children are covered by employer-sponsored insurance. Rlte Share, which helps low-income families pay the employee cost of premiums, is an innovative program that has saved the state millions by keeping employer-sponsored insurance in the mix and has been recognized as one of the most successful premium assistance programs in the country. Rlte Care is a nationally recognized policy success story and is a key part of Rhode Island’s health insurance system.” Ms. Bryant closed the roundtable discussion noting, “As the state faces challenging budget times, protecting our long-term investment in Rlte Care and Rlte Share is more important now than ever. Addressing eligibility and affordability barriers in employer-sponsored insurance and in Rlte Care/Rlte Share is critical if all children are to have the health care they need to thrive.”

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Rhode Island KIDS COUNT is a statewide children’s policy organization that works to improve the health, economic well-being, safety, education and development of Rhode Island children.

Community Catalyst is a national non-profit advocacy organization dedicated to making quality, affordable health care accessible to everyone. Since 1997, Community Catalyst has worked to build consumer and community leadership to transform the American health system. With the belief that this transformation will happen when consumers are fully engaged and have an organized voice, Community Catalyst works in partnership with national, state and local consumer organizations, policymakers, and foundations, providing leadership and support to change the health care system so it serves everyone, especially vulnerable members of society.

The New England Alliance for Children's Health, a project of Community Catalyst, is a coalition of consumers, health care providers, business leaders, educators, and community groups working to ensure all children in the New England region have access to high quality health care.