



## **Kids First Act of 2005**

*Ensuring That All Children Have Health Insurance*

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All Americans deserve comprehensive health coverage, especially our children who are particularly vulnerable. It is critical for children to have access to health care as it directly affects their long-term health status and outcomes, and their ability to access needed health services. Currently, over 9 million children under age 19 are uninsured in America. Two million young adults between the ages of 19 to 21 are uninsured. One in three children went without health insurance for all or part of 2002 and 2003. Approximately 75 percent of uninsured children live in families with household incomes below 200% of the federal poverty level. 67 percent of uninsured children live in households with at least one full-time worker. Over sixty percent of all children in the United States have private insurance, while Medicaid covers more than one in four children in the U.S., and the State Children's Health Insurance Program (SCHIP) covers about 4 million children.

### **What is needed:**

- **Cosponsor S. 114/H.R. 1668, the Kids First Act of 2005**
- **Support committee hearings on S. 114/H.R. 1668**

### **Why it is important:**

- In an era of state fiscal crises, thousands of children are finding themselves no longer enrolled in health coverage provided by the State Children's Health Insurance Program (SCHIP) and Medicaid.
- Children who are uninsured have a higher incidence of preventable disease than those who are insured. This is due to ¼ of children not being fully up to date on their basic immunizations, one half of all uninsured children not having a well child visit in the past year and one in six children having delayed or unmet medical needs within the year.
- Due to an inability to access needed services, uninsured children are also more likely to have common speech, hearing and behavioral problems.
- Considering that nearly three-quarters of the nine million children under the age of 19 who are uninsured are eligible for, but not enrolled in, SCHIP or Medicaid, changes need to be made to ensure that these eligible children are covered by Medicaid, SCHIP or private insurance. The Kids First Act of 2005 includes necessary provisions to give states increased financial incentive to provide health coverage to children, by giving states the option to receive 100 percent Federal Medicaid Assistance Percentages (FMAP) for medical assistance for children in poverty in exchange for expanding coverage of children in working poor families.
- S. 114/H.R. 1668 would also eliminate the cap on SCHIP funding for states that expand eligibility for children, allowing states to offer Medicaid or SCHIP coverage to children under age 21 with incomes at or below 300% of the federal poverty level.
- In addition, this legislation would give states the ability to provide coverage to underinsured children, children of state employees and legal immigrant children.
- The Kids Come First Act of 2005 includes innovative measures that would provide incentives for parents to cover their children, and promote the increased access of parents to dependent health insurance coverage options. The legislation would allow parents to claim a refundable tax credit for the health insurance coverage of children.
- Also, the bill would require a dependent coverage option under group health market health insurance plans, which would give workers and other individuals with children the needed increased access and incentive to participate in health insurance plans that cover dependents.
- Under this proposal, states would save more than \$11 billion annually from their share of Medicaid payments for children in families living below the poverty level. The net economic benefit for states is \$6 billion a year after the costs of expanding coverage to higher income children are factored in.