

## **Federal Health Care Reform Offers Risks, Opportunities for Maryland's Children**

*Women May Get More Services, but Children May Get Less*

### **Executive Summary**

Federal efforts to expand health care can improve the health of Maryland's infants by ensuring that more women are healthy when they become pregnant. One danger is a possible reduction in health benefits for low-income children.

### **Background**

Recent passage of the federal Children's Health Insurance Program Reauthorization Act (CHIPRA) was an important step toward ensuring health care access for all low- and moderate-income children. In Maryland, children in families with incomes under 300 percent of the federal poverty level have access to free or reduced-cost health insurance.

Federal health care reform is moving rapidly through Congress and is a top priority for President Barack Obama. A primary goal is to expand coverage for uninsured adults. A critical question is how health reform will affect children. Advocates for Children and Youth is watching these efforts closely, working with sister organizations in other states, national partners and Maryland's federal delegation.

The three key legislative proposals include a joint proposal from the House Ways and Means, Energy and Commerce, and Education and Labor Committees; another from the Senate Finance Committee; and a third from the Senate Committee on Health, Education, Labor and Pensions.

### **Potential Impact on Children**

#### *More Services for Women before Pregnancy*

Health insurance coverage would be mandatory for all adults. More adults would be eligible for subsidized health insurance, with caps on out-of-pocket spending. For a family of four, coverage would be subsidized for families making less than \$88,000 (based on the most generous proposals.) In addition, more low-income parents would be eligible for Medicaid coverage.

The adult Medicaid benefit package would emphasize preventative services, and states would be given additional flexibility to provide family planning services. States would also have the option to cover

home visitation services for pregnant women. Under the House proposal, states would be able to get Medicaid reimbursement for these services. More details on the Senate plan are expected soon.

These changes would mean that many more women will have health insurance and that the insurance will cover more services prior to and during their pregnancies. Studies show that the health of a woman *at the time of the pregnancy* is critical to a good birth outcome. Also, women with access to family planning services before pregnancy are more likely to have planned pregnancies and healthier babies.

#### *Fewer Services for Children?*

Children covered by CHIP and Medicaid could eventually be moved into "Exchange" plans. A Health Insurance Exchange is a marketplace where individuals and small employers can compare health insurance plans. Exchanges are designed to set basic coverage criteria and help facilitate enrollment. An Exchange could include both private and public health insurance plans. It is not clear whether Exchange plans would provide the same level of benefits for low-income children as Medicaid and CHIP.

### **Recommendations**

Federal health care reform should expand services that enable more women to start their pregnancies healthier; this will result in healthier babies and also save money. Federal reforms should not decrease the level of health benefits provided to children.

### **More Information**

First Focus: <http://www.firstfocus.net/>

Center for Children and Families:  
<http://ccf.georgetown.edu/>

Center on Budget and Policy Priorities:  
<http://www.cbpp.org/>

Kaiser Family Foundation:  
<http://www.kff.org/healthreform/sidebyside.cfm>

