

MediKids Health Insurance Act of 2007 Bill Summary

The MediKids Health Insurance Act provides health insurance for all children in the United States regardless of family income level by 2014. The program is modeled after Medicare, but the benefits are improved and targeted toward children.

MediKids is the ultimate safety net, with maximum simplicity, stability, and flexibility for families. Parents may choose to enroll their children in private plans or government programs such as Medicaid or S-CHIP. However, if a lapse in other insurance coverage occurs, MediKids automatically picks up the children's health insurance. MediKids follows children across state lines when families move, and fills the gaps when families climbing out of poverty become ineligible for means-tested programs.

ENROLLMENT AND ELIGIBILITY

Every child born after December 31, 2008 is automatically enrolled in MediKids. Older children are enrolled over a 5-year phase-in as described below. Children who immigrate to the U.S. are enrolled when they receive their immigration cards. Materials describing the program's benefits, along with a MediKids insurance card, are issued to the parent(s) or legal guardian(s) of each child. Once enrolled, children remain enrolled in MediKids until they reach the age of 23. There are no re-determination hoops to jump through because MediKids is not means tested.

PHASE-IN

Year 1 = the child has not attained age **6**
Year 2 = the child has not attained age **11**
Year 3 = the child has not attained age **16**
Year 4 = the child has not attained age **21**
Year 5 = the child has not attained age **23**

BENEFITS

The benefit package is based on the Medicare and the Medicaid Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefits for children, with simplified cost sharing mechanisms and comprehensive prescription drug coverage. The benefits will be reviewed annually and updated by the Secretary of Health and Human Services to reflect age-appropriate benefits as needed with input from the pediatric community.

PREMIUMS, DEDUCTIBLES, AND COPAYS

MediKids assures that families will always have access to affordable health insurance for their children. Families below 150 percent of poverty pay no premiums or cost sharing. Families between 150 percent and 300 percent of poverty pay reduced premiums and cost sharing. Parents above 300 percent of poverty are responsible for a small premium equal to one fourth of the average annual cost per child. Premiums are collected at the time of income tax filing. Premiums are not assessed during periods of equivalent alternative coverage. Families will never pay more than five percent of their adjusted gross income (AGI) for premiums.

Cost sharing is similar to the largest plans available to Members of Congress. There is no cost sharing for preventive and well childcare for any children. A refundable tax credit is provided for cost sharing above five percent of AGI.

FINANCING

Initial funding to be determined by Congress. In future years, the Secretary of Treasury would develop a package of progressive, gradual tax changes to fund the program, as the numbers of enrollees grows.

STATES

Medicaid and S-CHIP are not altered by MediKids. States can choose to maintain these programs. To the extent that the states save money from the enrollment of children into MediKids, states are required to maintain current funding levels in other programs and services directed toward the Medicaid population. This can include expanding eligibility or offering additional services. For example, states could expand eligibility for parents and single individuals, increase payment rates to providers, or enhance quality initiatives in nursing homes.

SUPPORTING ORGANIZATIONS

American Academy of Pediatrics
Children's Defense Fund
Consumers Union
Families USA
March of Dimes
National Health Law Program