

SENATE PUBLIC HEALTH, WELFARE & SAFETY
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**Testimony on
SB 156
Senate Public Health, Welfare
and Safety Committee**

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By

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Dear Chairman Cromley and members of the Committee:

It is my pleasure to provide testimony in support of SB 156. During this past legislative interim, I had the opportunity to serve as the chair of the Coverage Options subcommittee of the State Planning Grant. This Federal planning grant supported an analysis of Montana's uninsured population. Incremental approaches were identified in the public and private sector over the next six years to reduce the 19% of Montanans, or 173,000, who are uninsured.

As part of the planning grant, a household and employer survey about health insurance coverage in Montana was conducted by University of Montana, Bureau of Business and Economic Research. The survey data in 2003 found that children in Montana, 18 years of age and younger, have an uninsured rate of 17%, which equates to 41,500 total children. Approximately 22,000 of the total population of uninsured children in Montana are uninsured and living in households with annual gross incomes below 150% Federal Poverty Level. The Department of Public Health and Human Services has estimated that 7,000 children could be covered by Medicaid and 15,000 additional children by Children's Health Insurance Program (CHIP). An additional 13,900 children are uninsured and living in households with annual gross incomes between 151-200% Federal Poverty Level.

The coverage options committee utilized the following guiding principles to test our recommendations:

1. Maximize the use of federal dollars and minimize replacement of private coverage with public coverage.
2. Develop and promote health literacy, which includes prevention and wellness to avert avoidable costs and preserve individual choice and promotes responsible health care.
3. Anticipate costs to implement and methods to contain costs.
4. Proposals should be fiscally and politically viable.
5. Estimated number of persons with health care coverage increases to greatest extent possible.
6. Design coverage plans that are simple, administratively doable and practical for a sparsely populated, geographically large state.
7. It may be necessary and/or appropriate to recommend changes to existing programs if doing so furthers the goal of expanding access to affordable health insurance.
8. Reduce existing system complexities.
9. Basic benefits are clearly defined and will improve health status.
10. Proposals should cover those with the greatest need first.

This legislation allowing the DPHHS to increase the number of children eligible for CHIP, if there is sufficient funding available by increasing family income earning eligibility from 150% to 200% of federal poverty level, satisfies several of these guiding principles; maximizing the use of federal dollars—fiscally and politically viable—extending coverage to large numbers of persons and those with the greatest need first.

The vision of the State Planning Grant efforts between 2004 and 2010, with the cooperation and coordination of the public and private sector is to:

- Provide affordable health care coverage for all Montanans
- Strengthen the health care safety net across Montana
- Reduce, by 2010, Montana's uninsured rate by 50%, with an emphasis on covering children.

Your support for SB 156 is consistent with this vision.