

Health-care expansion relies on tax boost

Rejection of Measure 30 could hinder plans to expand insurance coverage for children.

BY PETER WONG
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Unlike other states with financial woes, Oregon is poised to expand health insurance coverage for children on the edge of poverty.

But like those other states, Oregon might have to drop those plans — and cut coverage for thousands more — if voters on Feb. 3 reject the budget-balancing tax increases contained in Measure 30.

"Regardless of what happens, I am still committed to seeing that all children in this state, from prenatal to age 18, have access to health care," Gov. Ted

Kulongoski said. "It isn't just about insurance."

The budget contains the state's matching amount for federal money under the Children's Health Insurance Program, which covers children in households that have no health insurance but still earn too much to qualify for the Medicaid program.

Oregon's 2002 rate of uninsured children was estimated at 10 percent and in the Mid-Willamette Valley, 11 percent. But statewide, 16 percent of those under 200 percent of the federal poverty level have no coverage. For a family of four, the poverty level is \$18,400 this year. "If your child has no insurance and gets sick not only is that bad for the child, but the expense that is not covered by insurance can severely affect a family's financial resources," said Tina Kotek, policy director for the nonprofit

group Children First for Oregon. "The debt that can be incurred is a threat to financial stability."

According to the data book that the group released last week, 43 percent of children in Marion County and 35 percent in Polk County live in households in or near poverty. The statewide average is 37 percent.

Medicaid through the Oregon Health Plan covers about 180,000 children in poverty-level households — 133 percent of that level for children under age 6, and 100 percent for children to age 18.

About 20,000 more children are under CHIP, which covers households between 100 percent and 185 percent of the federal poverty level. The 2003 Legislature approved an expansion of CHIP that would raise the federal poverty level to 200 percent. State officials estimate that 1,200 more children would be covered.

The change is contained in a request to the federal Centers for Medicare and Medicaid Services, which is being asked to approve other changes to state-supported health insurance.

"CMS has not yet made its decision on our request and has not yet responded formally," said Jim Edge, assistant administrator of the state Office of Medical Assistance Programs.

"They continue to ask us questions and ask for more information, but we do not know when we will receive the official decision."

For every \$2.57 that the federal government puts up for CHIP, the state must put up \$1.

The federal decision could await what voters do Feb. 3 with the budget-balancing tax increases in Measure 30.

Agencies such as the Department of Human Services, which oversees medical assistance to

the poor, have until Jan. 5 to submit proposed spending cuts that the governor would implement if the tax measure fails.

"We don't yet have an answer to how a possible rejection of Measure 30 might affect the CHIP program," Edge said. "We know that the (cut) amount for us would be large. The governor has made the statement that the Oregon Health Plan as we now know it will cease to exist if Measure 30 is rejected."

Kulongoski said that extending coverage to more children is one of his key priorities.

"But it would be difficult to maintain that commitment without the balanced-budget plan," Kotek said. "Everything would be up for grabs."

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