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All Kids: As Illinois Becomes the First in the Nation to Offer Universal Healthcare for Children, Some Express Concern That the State Has Made Promises It Can't Keep

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**ALL KIDS: AS ILLINOIS
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By **BRENDAN MOORE**

As the nationwide rising costs of health insurance and access to affordable care issues continue to command more attention and debate in Washington, Illi-

nois legislators are giving themselves a small pat on the back—at least for now. On November 15, 2005, the Illinois General Assembly approved Governor Blagojevich's *All Kids* program,¹ making Illinois the first state in the nation to offer comprehensive health insurance coverage to every uninsured child.²

While census figures estimated that Illinois had about 253,000 uninsured children, the *All Kids* program was designed to target the approximately one half of those children whose parents earn too much to qualify for government programs, but not enough to afford private health insurance.³ Participants in the new program pay monthly premiums and co-payments for doctor visits and co-insurance for prescriptions, with rates based on a family's income.⁴ A family with two children earning between \$40,000 and \$59,999 a year pays a \$40 monthly premium per child and a \$10 co-pay per visit to a physician.⁵ A family earning between \$60,000 and \$79,999 with two children will pay a \$70 monthly premium per child and a \$15 co-pay per visit to a physician.⁶

"Illinois has led the way in helping low-income families afford health insurance coverage while too many other states have been moving in the opposite direction," said Ron Pollack, the Executive Director of Families USA, a not for profit healthcare advocacy organization.⁷ Since July 1, when the program officially took effect, more than 85,000 children have been enrolled for coverage.⁸ From the time it was first proposed a year ago, the program has been lauded by many healthcare, public policy and community based organizations. "The *All Kids* initiative offers the families of Illinois with a unique opportunity to provide affordable health insurance coverage to every child in the state," said Pollack.⁹

Evidence suggests that expanding health insurance coverage is economically beneficial to everyone. While the uninsured pay approximately 35% of their medical bills out of pocket, more than 40% is absorbed by those who do have health insurance in the form of higher premiums.¹⁰ According to Families USA, "the cost of paying for the uninsured will add \$1,059 to the average family's insurance premiums here in Illinois in 2005."¹¹ Critics blame legislators for rushing the program through the legislative process without a thorough examination of its economic impact on the State. The Illinois State Chamber of Commerce has voiced concerns that state-provided health care spending, which relies on federal reimbursements, has been increasing at unsustainable rates.¹² Should Congress curtail Medicaid financing as has been discussed, the

Chamber said, the state may face a severe shortage of funding and drive itself into further debt.¹³

“All taxpayers should be concerned about the state’s current approach to providing healthcare. Ever-expanding healthcare programs and costs cannot be sustained in Illinois’ current fiscal condition,” said Doug Whitley, President of the Illinois Chamber of Commerce.¹⁴

All Kids, however, does have a plan to cover the costs. The State is covering the difference between what parents contribute in monthly premiums and the actual cost of providing health care for each child, which it estimates at about \$45 million in the first year.¹⁵ State officials believe they can cover this disparity by savings realized from shifting beneficiaries of KidCare, FamilyCare and traditional Medicaid to a managed care system, producing a savings of \$56 million in the first year.¹⁶ By the fifth year, the State estimates 204,000 children will enroll at a cost of \$96 million, while the managed care savings will be \$93 million.¹⁷

Still, Illinois currently owes an estimated \$3 billion in deferred payments to healthcare providers, an indication to Whitley and others that Illinois should satisfy its current debts before taking on new ambitious programs.¹⁸

The Illinois State Chamber also believes the program may have negative secondary effects, such as providing an incentive to employers to drop dependent coverage for its workers or further curtail their benefits, putting other employers with benefit plans that include dependent coverage at a competitive disadvantage to those who shift dependents to state provided coverage.¹⁹

However, despite these concerns, twenty-nine other states, including North Carolina, Oklahoma, New York, California, Texas, Pennsylvania and Louisiana, have realized significant savings by using this model for their Medicaid programs.²⁰

Few would disagree that preventative healthcare, which *All Kids* is designed to promote, is critical to fostering the overall wellness of children as well as containing the escalating costs of the premiums we all pay. “By ensuring that [children] get adequate preventative care on the front end, fewer of [them] will need expensive specialized care or emergency care for critical conditions.”²¹

“Children without healthcare coverage are more likely not to get the preventive care they need, many of them end up in emergency rooms that end up costing everyone more money and very difficult for physician to provide quality care,” said Laura Leon, Executive Director of the Illinois Maternal and Child Health Coalition.²²

In addition, investing in health care can have a positive impact on local economies. “Over the past five years, the health care industry has created nearly 40,000 new jobs in Illinois.”²³ “Healthcare is the second-fastest growing industry in Illinois and among the fastest in the nation.”²⁴ Families USA estimates that “for every \$1 million invested in health care for people who need coverage, an additional \$2.4 million is generated in new business activity and \$840,000 in new wages.”²⁵

While the short and long term costs to taxpayers will continue to be debated, the State continues to promote *All Kids* as its hallmark public policy initiative and aggressively seeks new enrollees. Governor Blagojevich recently kicked off a statewide Back-to-School *All Kids* outreach campaign to help every family in Illinois get healthcare for their children before the new school year begins.²⁶ Over 1600 schools, 600 libraries, and 140 hospitals are participating in the statewide outreach effort.²⁷

“I’m very excited about this initiative we know that children are more attuned to what’s going on in the classroom when their medical needs are met,” said Stacey Rubin, Assistant Superintendent for Special Services for Zion Elementary District 6. “Healthy children equal healthy learners.”²⁸

NOTES

1 Covering ALL KIDS Health Insurance Act, 2005 Ill. Laws 693.

2 Press Release, Illinois Government News Network, *Gov. Blagojevich Kicks Off Statewide Back-To-School All Kids Campaign* (August 21, 2006), <http://www.illinois.gov/PressReleases/PressReleasesListShow.cfm?RecNum=5198>.

3 Press Release, Office of Governor Rod R. Blagojevich, *New Families USA Study Finds ‘All Kids’ Would Add \$87 Million in New Business Activity and \$30.7 Million in New Wages Statewide* (October 24, 2005), http://www.illinoisbiz.biz/dceo/News/2005+Archives/pr_10242005.htm.

- 4 *Id.*
- 5 *Id.*
- 6 *Id.*
- 7 *Id.*
- 8 Interview with Amy Rosenband, Communications Manager, Illinois Dept. of Healthcare and Family Services (need to add date of interview).
- 9 Office of Governor Rod R. Blagojevich, *supra* note 3.
- 10 Illinois Government News Network, *supra* note 2.
- 11 *Id.*
- 12 Doug Whitley, Employers: Be Concerned, Speak Out on Illinois Health Care Cost Concerns, September 21, 2006, <http://www.ilchamber.org/ic/p/dwlpub1.asp?o=1000&p=20036&e=03047> (last visited Nov. 2, 2006).
- 13 *Id.*
- 14 *Id.*
- 15 Office of Governor Rod R. Blagojevich, *supra* note 3.
- 16 *Id.*
- 17 *Id.*
- 18 Doug Whitley, *supra* note 12.
- 19 Doug Whitley, All Kids Program Raises More Questions Than It Answers, October 31, 2005, <http://www.ilchamber.org/ic/p/dwlpub1.asp?o=1000&p=20036&e=03036> (last visited Nov. 2, 2006).
- 20 Office of Governor Rod R. Blagojevich, *supra* note 3.
- 21 Illinois Government News Network, *supra* note 2.
- 22 Press Release, Illinois Government News Network, *Gov. Blagojevich Signs Landmark Legislation to Provide Comprehensive Healthcare Coverage for Every Uninsured Child in Illinois* (November 15, 2005), <http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=37&RecNum=4463>.
- 23 Office of Governor Rod R. Blagojevich, *supra* note 3.
- 24 *Id.*
- 25 *Id.*
- 26 Illinois Government News Network, *supra* note 2.
- 27 *Id.*
- 28 *Id.*

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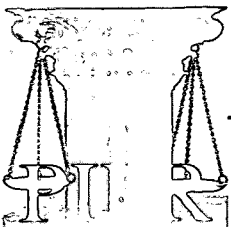
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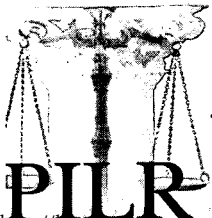
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