



# Health Care UPDATE

**T**he availability and affordability of health care insurance is a major concern for Pennsylvanians, particularly in these tough economic times.

Our residents who are uninsured may not be able to find coverage they can afford. To address these challenges, the Legislature recently passed several laws that will help provide health care coverage for the uninsured, reduce the cost of health care and improve health care quality for all Pennsylvanians.

I'd like to provide you with more information on these initiatives and how you may be able to receive affordable coverage.

If you have any questions, please contact me. My office addresses are listed on this website.

## Law Extends Coverage to Young Adults

**B**ecause of our economic crisis, more and more young people are having trouble finding jobs, and many who do work may not have access to affordable health care coverage. Other young people lost their insurance coverage upon college graduation, when they were no longer eligible as dependents on their parent's policy.

In fact, nearly half of all uninsured Pennsylvanians are between the ages of 18 and 34. To address this issue, the Senate unanimously approved, and the governor signed, legislation that will extend health insurance coverage to adult children up to the age of 30, at the expense of the policyholders. Before this law, policies removed young adults from family plans upon graduation from college or at age 19 if not in school.

The law applies to adults who are not married, have no dependents, are residents of the Commonwealth or enrolled as a full-time student at an institution of higher education and are not provided insurance coverage or eligible for government benefits. Insurers would have to offer the policyholder an option to include the coverage and would be able to determine an appropriate increase in premiums to cover this additional benefit.

This new law represents a significant expansion of health care coverage and will provide these young people who qualify

with an innovative and fiscally responsible way to obtain insurance at a cost they and their families can afford.

Parents employed by a participating policyholder must pay the additional premium costs and coverage hinges on the employer's willingness to offer the benefit to parents. Coverage would apply to new contracts and contract renewals.

### *New Health Care Laws*

**Act 1 of 2009** permits health insurers to withhold payment to providers in the event of a preventable serious adverse event.

**Act 2 of 2009** creates a Mini-COBRA Small Employer Group Health Plan to extend continuation of group health insurance policies for former employees and dependents, making the option available to individuals who work for employers with 2 to 19 employees and who are laid off.

**Act 4 of 2009** extends health insurance coverage at the option of an employer to an adult unmarried child up to the age of 30 at the insured employee's expense. Nearly half of all uninsured Pennsylvanians are age 18 to 34.

## CHIP Provides Health Coverage for Kids

The state's Children's Health Insurance Program (CHIP) has provided coverage for low-income families for over 16 years and was expanded in 2006 to enable more children to receive health care coverage with little or no cost to parents of eligible children.

Families earning less than 200 percent of the federal poverty level (about \$44,000 for a family of four) can get coverage for free. For families with a household income between 200 percent and 300 percent of the federal poverty level, or about \$45,000 to \$66,000 annually, the state will cover between 60 to 75 percent of the total premium costs, giving families the opportunity to purchase affordable health care coverage at a minimum cost with an average premium of \$43-\$68 per month per child.

Families with incomes greater than 300 percent of the federal poverty level may also purchase the CHIP coverage, but without state financial assistance, if reasonably affordable coverage is otherwise unavailable to that family.

The "Cover All Kids" Initiative also created a premium assistance program that allows the state to purchase health insurance coverage from a parent's employer-based program when it is more cost-effective, rather than enrolling the child in the state's subsidized insurance program.

More than 164,000 Pennsylvania children are covered by CHIP. I would encourage parents to learn more about CHIP by contacting one of my district offices. More information is also available online at [www.chipcoverspakids.com](http://www.chipcoverspakids.com) or by calling 1-800-986-KIDS.

## Mini-COBRA Bill Will Provide Insurance Options to Workers in Small Businesses Who Leave Jobs

Pennsylvania's small businesses have been hit hard by the downturn in the economy, and many have had to lay off workers to make their payroll. Another recently passed law will benefit employees of a small business who lose their jobs.

Under Act 2, those employees will have the same opportunity as

employees of large businesses to retain their health insurance for a short period of time while searching for another job and being rehired by another employer.

According to state Department of Labor statistics, as of September 2008 there were nearly 250,000 businesses with 19 or fewer employ-

ees in the state, so this law has the potential to help hundreds of thousands of people.

Small-business owners with fewer than 20 employees who provide group health insurance coverage would include a COBRA continuing insurance option. The program will enable more Pennsylvanians to take advantage of the relief offered in the federal stimulus package. It extends a 65 percent reduction in COBRA premiums authorized under the new federal stimulus law to workers laid off from small businesses for up to nine months.

This financial assistance is critical in help-

## Law Will Help to Prevent Medical Errors

Approximately 140 patients who experience an adverse medical event that might be both serious and preventable die each year in Pennsylvania hospitals. The total charges for the hospital stays in which these deaths occur amounts to approximately \$21.8 million. Approximately 3,500 other patients a year survive an adverse event for which charges are an addition \$316 million a year.

Under a new law passed recently, health care providers are prevented from seeking reimbursement for serious, preventable medical errors, or for any service needed to correct or treat a problem caused by a serious, preventable medical error.

This law will protect patients and insurance companies from having to pay for serious medical errors that were not their fault and could have been avoided. It will also provide an important incentive for hospitals and other health care facilities to reduce preventable medical errors, and reduce the cost of health care overall.

ing these individuals afford to continue their former employer-based coverage.

The law will help improve the accessibility and affordability of health care, and most significantly it does not cost Pennsylvania taxpayers one dime. This measure is already in place in many other states and soon it will be part of Pennsylvania's health care network.

To find out more about the Mini-COBRA Program, go to the Pennsylvania Insurance Department website at [www.ins.state.pa.us](http://www.ins.state.pa.us) or call toll-free 1-877-881-6388.

