

Expanding and Protecting Insurance Coverage

Expanding Coverage and Access for Children

Cover the Kids: The President's Budget supports the creation of the Cover the Kids program. The Cover the Kids Program provides \$1 billion in grant money over two years to help coordinate Federal, State, school and community Medicaid/SCHIP outreach efforts. Cover the Kids aims to enroll as many Medicaid and SCHIP eligible children as possible. The figures below reflect the estimated increase in Medicaid and SCHIP expenditures due to these outreach efforts.

Cost: 1-year \$718 million
5-year \$5.6 billion
10-year \$11.3 billion

Vaccines For Children Expansion: The President's Budget proposes to improve the program by allowing under-insured children to receive VFC inoculations at State and local health departments.

Cost: 1-year \$140 million
5-year \$700 million
10-year \$1.4 billion

President's New Freedom Initiatives—Expanding Access and Quality for People with Disabilities

The Money Follows the Person Rebalancing Demonstration: The President's Budget proposes a five year demonstration project in which Federal grant funds would pay for home and community-based waiver services for individuals who move from institutions into at-home care. The costs of this at-home care would be fully assumed by the Federal Government for the first year of each individual's participation. As a condition of receiving this funding, participating States would agree to continue supporting this care after the first year at the regular Medicaid matching rate.

Cost: 1-year \$0
5-year \$500 million
10-year \$1.8 billion

Community Alternative to Children's Residential Treatment Facilities: The President's Budget proposes a demonstration that would enable States to offer home and community-based services to children who would otherwise be served in psychiatric residential treatment facilities.

Respite for Caregivers of Disabled Adults: The Administration proposes a demonstration to test the efficacy of respite care as a means of reducing primary caregiver "burn-out" that often leads the institutionalization of adults with disabilities.

Respite for Caregivers of Children with a Substantial Disability: The Administration proposes a demonstration that will provide respite care to caregivers of children with substantial disabilities. The demonstration will enable the Department to collect specific data about the cost and use of respite services for this population.

Costs of Demonstrations: 1-year \$13 million
 5-year \$256 million
 10-year \$871 million

Spousal Exemption: The President's Budget proposes to protect the Medicaid coverage of individuals married to disabled individuals participating in a 1619(b) work incentive program. Under current law, the working individual's income sometimes causes their spouse to lose their Medicaid coverage.

Cost: 1-year \$17 million
 5-year \$102 million
 10-year \$256 million

Extending Current Law Coverage

Transitional Medical Assistance: The Administration proposes to extend Transitional Medical Assistance (TMA) eligibility for an additional year. In addition to this extension, the Administration proposes three simplifications to the TMA program. First, States will be allowed to offer twelve months of continuous coverage. Second, the proposal allows States to waive income reporting requirements for beneficiaries. Finally, States that offer Medicaid eligibility for children and families with income up to 185 percent of poverty may waive TMA eligibility altogether.

Cost: 1-year \$560 million
 5-year \$560 million
 10-year \$560 million

Medicare Premium Assistance: The Administration proposes to extend Medicare premium assistance for Qualified Individuals (QI) for an additional year. Under the QI program, Medicaid pays Medicare Part B premiums for Medicare beneficiaries with incomes between 120 and 135 percent of poverty. States will continue to be fully reimbursed for the cost of the program.

Cost: 1-year \$230 million
 5-year \$230 million
 10-year \$230 million

Refugee Exemption Extension: The Administration proposes to extend Medicaid eligibility for refugees that would otherwise lose coverage

Cost: 1 year: \$40 million
5 year: \$145 million
10 year: \$145 million

Promoting Affordable Health Care--Other Uninsured Proposals

Health Insurance Tax Credit: The Administration proposes a tax credit that will help individuals purchase health insurance and health care. It provides greater choice of insurance products and encourages saving for future health expenses. Individuals under age 65 who are not enrolled in public or employer-sponsored health plans would be eligible. The credit would be refundable and could be paid in advance directly to the health plan. The amount of the credit would phase out at incomes of \$30,000 for an individual and \$60,000 for a family.

- Traditional Health Insurance Tax Credit—with this option, the credit would pay for 90 percent of the cost of the premium of standard coverage, up to a maximum of \$1,000 for an individual, and \$3,000 for a family of four.
- Health Insurance Tax Credit with HSAs—this modification would allow individuals to use a portion of the credit (up to \$2,000 for a family of four; \$700 for an individual) to purchase a high-deductible health plan while putting the remaining portion of the credit (up to \$1,000 for a family of four; \$300 for an individual) in an HAS. The money in the HAS belongs to the individual and can be used to pay for medical expenses. Unspent funds from one year would roll over for use in the following year.

Cost: 1 year: \$97 million
5 year: \$28.4 billion
10 year: \$73.975 billion

State Purchasing Pools: To help low-income individuals purchase coverage with the health insurance tax credit, the Administration proposes providing \$4 billion in grants to states to establish purchasing pools. By combining the purchasing power of individuals and families, these pools would offer tax-credit recipients an additional affordable health insurance option and would make it easier and faster to shop for coverage.

Cost: 1 year: \$200 million
5 year: \$1.7 billion
10 year: \$4 billion

Above-the-Line Deduction for Certain Health Insurance Premiums: Under this proposal, all individuals who purchase a high-deductible health plan in conjunction with a health savings account would be allowed to deduct the amount of the health plan's premium from their taxable income even if they do not itemize their deductions. This new deduction would make high-deductible health plans more affordable.

Cost: 1 year: \$200 million
5 year: \$10.057 billion
10 year: \$28.495 billion

Rebate to Small Employers Contributing to Employees' HSAs. To encourage small employers to contribute to their employees' health savings accounts, the Administration proposes a refundable tax credit. Small employers would receive a tax credit of up to \$500 per employee with family coverage and \$200 per employee with individual coverage.

Cost: 1 year: \$67 million
5 year: \$5.158 billion
10 year: \$19.209 billion

Total Uninsured Proposals

Cost: 1 year: \$564 million
5 year: \$45.356 billion
10 year: \$125.679 billion