

Testimony of Cathy Caldwell

Prepared for oral presentation

United States Senate Committee on Finance

Subcommittee on Health Care

Tuesday, September 16, 2014, 2:30 PM ET

215 Dirksen Senate Office Building

Chairman Rockefeller, Chairman Wyden, Ranking Member Roberts, Ranking Member Hatch and distinguished members of the committee: Thank you for allowing me to speak with you. I am Cathy Caldwell, director of Alabama's Children's Health Insurance Program.

In Alabama, more than 82,000 children are currently enrolled in CHIP: More than 56,000 are enrolled in All Kids, which is a separate, stand-alone program administered by the Alabama Department of Public Health, and 26,000 receive health care services through Medicaid.

I am here to ask you to extend CHIP funding beyond Fiscal Year 2015. Extension is critically needed to continue providing quality care for our children.

CHIP is a successful program. For example, 90 percent of our enrollees have at least one visit with a primary-care physician annually, and our immunization rate for two-year-olds exceeds 70 percent. We encourage families to seek preventive care over emergency care and we have seen success. For instance, only 10 percent of our enrollees with asthma have an asthma-related trip to an emergency room, and more than 80 percent of our enrollees with diabetes have an annual A1c test. We provide an enhanced, child-based dental benefit, and more than 60 percent of children receive a dental visit within 90 days of enrollment.

We also take care of very sick children. Last year alone, we provided coverage to 33 children who have leukemia. In May, we covered a sound processor for a cochlear implant for a 14-year-old boy with hearing loss, allowing him to hear clearly. In June, we enrolled a seven-year-old uninsured child hospitalized with pneumonia and we enrolled a 13-year-old uninsured girl with cystic fibrosis who had not been able to buy medication. These stories are not unique. We hear them every day. We are passionate about taking care of these children who, without

CHIP, likely would be uninsured and unable to get the care they need. Across the nation, there are 5.8 million children enrolled and depending on an extension of CHIP funding.

While some CHIP children may have access to coverage through an employer group, the cost of dependent coverage may be cost-prohibitive for the family. In addition, employer-sponsored or Marketplace coverage may have higher deductibles, premiums and co-pays than CHIP, leaving even insured children without access to the services and medications they need.

CHIP is a very efficient program. In Alabama, our administrative cost is less than 6 percent of our total cost. We process 99 percent of applications within 10 days and 90 percent of our claims are processed within 14 days, ensuring our providers are paid timely.

It is important that a decision to extend CHIP funding be made soon. States are developing budgets for Fiscal Year 2016 now. States cannot make adequate plans with the uncertainty of continued funding for CHIP. Families are relying on you to make this decision soon. The uncertainty of CHIP continuation is stressful for them. The uncertainty also is stressful for employees of these programs. We may lose our best employees because of this uncertainty. They may seek employment elsewhere.

Before CHIP, the uninsured rate for children in Alabama was 15 percent. In 2013, the uninsured rate for children in Alabama was 8.2 percent.

CHIP is successful. It was started to give kids access to health insurance. There is still a need for CHIP. Through CHIP, you have provided routine and life-saving care to our kids.

I ask you to extend funding for the Children's Health Insurance Program, and to do it soon.

Thank you again chairmen, ranking members and distinguished members of this committee for allowing me to speak to you.