

Alaska State Legislature

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Senator Bettye Davis

SB 5 “An Act relating to eligibility requirements for medical assistance for certain children and pregnant women; and providing for an effective date.”

Background of SCHIP/Denali Kid Care

- State Children’s Health Insurance Program (SCHIP), which is administered in Alaska through the Denali KidCare Program was created in 1997 to reduce the number of uninsured children by providing subsidized insurance to children of those parents who are too poor to afford insurance but make too much to receive Medicaid coverage. About 1/3 of all children in America get health services through Medicaid or the SCHIP program.
- The Denali KidCare Program is 70% funded by the federal government up to the state’s allocated funding level. After that, the reimbursement rate declines to slightly over 50%.
- Denali KidCare provides health insurance for children up to age 18 and pregnant women who meet income guidelines. There is no cost to eligible children, teens and pregnant women. However, youth who are 18 may be required to contribute a limited amount for some services.
- Roughly 7,900 children were covered by Denali KidCare in 2009.
- The cost per child of Denali KidCare is about \$1,700 annually, compared to over \$12,000 for an elderly person who qualifies for federal aid.
- By comparison, private health insurance for a family of three, *e.g.*, a pregnant woman with two children, is estimated at \$8,000-\$17,000 annually. Unlike Denali KidCare, this insurance may require a substantial deductible, 20% co-pay, and no vision, dental or hearing benefits.

Why Coverage for Pregnant Women is Important In Alaska

- Alaska has one of the nation’s highest documented pregnancy-associated mortality ratios – 58 per 100,000 live births during 1990-1999 (DHSS). National data indicate that women who receive no prenatal care are at increased risk of pregnancy-related death.

- Only 58% of women in Alaska receive adequate prenatal care, compared with 75% nationally.
- Mothers having late or no prenatal care are more likely to have low birth weight or pre-term infants and are at increased risk for pregnancy-related mortality and complications of childbirth (DHSS).
- The average cost of hospital care for a premature baby was \$75,000 in 2001, compared with \$1,300 for a healthy, full-term infant. The March of Dimes Prenatal Data Center reports that premature babies cost about \$13.1 billion annually.