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HC [Health Care] - Children with Disabilities

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

2907

(WH) * Cora Rosenbaum drafted Legisl.

DRAFT

DRAFT Rick Cronig

- confusion re: Medicaid

Mary 690-6172

Ruth Katz 690-6443

~~Chapman~~ Stevens 690-7771
Sharman

HC Reform directed @ acute needs, New children's program should solve some probs. - Has a cap. Not open ended.
directed @ acute. Not long term care

Dr. Jennifer L. Howse
President
March of Dimes
Birth Defects Foundation
1275 Mamaronack Avenue
White Plains, New York 10805

Dear Dr. Howse:

Thank you for your letter concerning coverage for children with birth defects under the Health Security Act. Let me assure you that the President has proposed a strong comprehensive acute care benefit package that will be guaranteed for all Americans, regardless of their medical condition.

First, by outlawing pre-existing condition exclusions the President's proposal will guarantee that all children, including those with birth defects, have access to health insurance and to a full range of acute care medical services, regardless of their medical condition. This is a profound change for children who have disabilities and their families. Families with children with disabilities will no longer be denied health coverage, or charged exorbitant insurance premiums, or locked into jobs for fear of losing their health coverage, or denied renewal just when they need health care the most. The families of children with disabilities will no longer face the threat of losing everything they have in their attempts to purchase and retain access to affordable, quality health care.

Second, the President has proposed an excellent comprehensive benefit package that includes a wide range of services including, physician, hospital, laboratory, prescription drugs, and preventive services. In addition, the benefit package includes acute care related outpatient rehabilitation services, extended care services, and home health care services. In order to specify the acute orientation of these three benefits, insurance has traditionally placed limits on these benefits or related their applicability to acute illness or injury.

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OFFICE	SURNAME	DATE	OFFICE	SURNAME	DATE	OFFICE	SURNAME	DATE
HP	S. Stevens	12/13/93						
ASP	[illegible]	12/73						

The Health Security Act never intended to exclude a particular diagnosis from coverage from any benefit. If our use of the term "illness and injury" appears to have this effect, we are eager to work with members of Congress and child health advocates to assure that this benefit serves the acute care needs of all children. In the meantime, it is critical to understand that any child born with a birth defect that requires surgery, professional services, etc. will have full coverage for those services. In addition, if rehabilitative services are necessary following such services, that will be covered within the parameters of the benefit.

Nonetheless, we know that the comprehensive benefit package will not meet all of the long-term support needs for some children. To help address this, two new programs have been proposed:

- A major new expansion in community-based long-term care that provide a range of community supports to people with severe disabilities, regardless of their age or income.
- A new federal program for poor children which will include Medicaid services that are not included in the comprehensive benefit package, such as hearing aids, transportation, and some therapies.

The long term care program will likely cover ongoing supports that are not there today for many children with severe disabilities. This benefit is not means tested. We recognize this is only a first step in establishing a comprehensive publicly funded long term care program, but it is a strong beginning. The over $38 billion per year in new federal funding for long term care at full phase-in is a significant improvement over the limited, means tested long term supports currently available to Americans with disabilities. In addition, the extensive new federal funding for long term care is expected to free up resources so that states and localities can expand and improve long term supports for people who do not qualify for the new program, but nonetheless experience significant disabilities.

Second, the new children's program will supplement Alliance coverage for low income children. This program covers therapies, hearing aids, dental services, transportation, and similar services not included in the comprehensive acute care benefit package.

Also, the Maternal and Child Health Block Grant and its component for children with special health care needs will continue in its mission of assuring family centered community-based coordinated systems of care. States will continue to be able to use these funds to compliment services available through the guaranteed benefit package.

DRAFT

Finally, of course, children with disabilities continue to have the guarantee of free appropriate public education, including related services, under the Individuals with Disabilities Education Act. As is currently the case, it is expected that various educationally related rehabilitation services will be covered under this program.

I hope this information is helpful. The Department will continue to work together with the March of Dimes to assure the best possible benefit for all children in the final legislation.

Sincerely,

Donna E. Shalala

DRAFT

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION
OFFICE OF HEALTH POLICY

DEPARTMENT OF HEALTH & HUMAN SERVICES · USA

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Number of Pages (Including Cover): 3

Comments: I am not sure if this has been signed yet. So consider it draft language

Children with Disabilities and Birth Defects

The rehabilitation service described in the guaranteed benefit package is intended to reflect typical health insurance policies: it is an acute health care service available following an illness or injury. Acute care benefit packages typically do not cover the long term special services often needed by people with chronic conditions. The Administration has agreed to look at the "illness and injury" criteria since some have raised that this is too restrictive an eligibility criteria, and needs to be clarified.

There are, however, several ways in which the Health Security Act covers physical, occupational, and speech/language therapy services for people who experience birth disorders or congenital conditions. The plan does cover rehabilitation services for children with disabilities in two major ways, through the new long term care program and through the new Medicaid children's program.

First, the long term care program will likely cover ongoing supports that are not there today for many children with severe disabilities. In addition, the extensive new federal funding for long term care is expected to free up resources so that states and localities can expand and improve long term supports for people who do not qualify for the new program, but nonetheless experience significant difficulties.

Second, the new children's program will supplement Alliance coverage for low income children. This program will likely cover therapies, hearing aids, dental services, transportation, and similar services not included in the guaranteed benefit package.

Probably the most profound change for children who have disabilities and their families, is that the Health Security Act offers universal access to health care with no pre-existing conditions exclusions and no lifetime limits on coverage.

Families with children with disabilities will no longer be denied health coverage, or charged exorbitant insurance premiums, or locked into jobs for fear of losing their health coverage, or denied renewal just when they need health care the most. The families of children with disabilities will no longer face the threat of losing everything they have in their attempts to purchase and retain access to affordable, quality health care.

Families whose incomes are too high to qualify for Medicaid, and those whose children do not experience disabilities severe enough to qualify for the long term care program will have the option of purchasing supplemental policies to cover additional therapies and services beyond the guaranteed benefit package.