

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations-includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With ALEC EXPOSED, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
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• Bayer Corporation
• GlaxoSmithKline
• Energy Future Holdings
• Johnson & Johnson
• Coca-Cola Company
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• Wal-Mart Stores, Inc.
• Salt River Project
• Altria Client Services, Inc.
• American Bail Coalition
• State Farm Insurance
For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. DO YOU?

Home -> Model Legislation -> Health and Human Services CHILDREN'S HEALTH INSURANCE PROGRAM ACT

Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

Legislation passed in 1997 DRAFT

[STATE] CHILDREN'S HEALTH INSURANCE PROGRAM ACT

Section 1. This Act may be cited as the [State] Children's Health Insurance Program.

Section 2. Purpose. The purpose of this Act is to create a State Health Insurance Program eligible for Payment under Section 2105 of the Social Security Act (43 U.S.C.). The program will expand the health insurance options of targeted low-income children through the service of private health insurers meeting the requirement of Section 5 and 7 of this Act that contract with the department to provide targeted low-income children with health insurance coverage.

Section 3. Definitions. As used in this Act:

- A. "Child" means a natural person less than 19 years of age who is a resident of this state.
B. "Creditable health coverage" has the meaning given the term "creditable coverage" under section 2701 c) of the Public Health Service Act (42 U.S.C 300gg c) and includes coverage that meets the requirements of section 2103 of the Social Security Act (42 U.S.C ) provided to a targeted low-income child under this Act or under a waiver approved under section 2105 c) 2) B) of the Social Security Act (42 U.S.C.) (relating to a direct service waiver.)
C. "Department means Department of Insurance.
D. "Group health plan" has the meaning given such term under section 2791 of the Public Health Service Act (42 U.S.C.300gg-91).
E. "Health Insurance coverage" has the meaning given under section 2791 b) 1) of the Public Health Service Act (42 U.S.C 300gg-91).
F. "Low-income child" means a child whose family income is below the 200 percent of poverty.
G. "Participating insurer" means any entity licensed to provide health insurance in this state that as contracted with the Department to offer health insurance coverage to targeted low-income children pursuant to this Act.
H. "Poverty" has the meaning given such term in section 673 2) of the Community Service Block Grant act (42 U.S.C 9902 2)), including any revision in such section.
I. "Preexisting condition exclusion" has the meaning given such term in section 2701 b) 1) A) of the Public Health Service Act (42 U.S.C 300gg b) 1) A)).
J. "Qualified child health plan" means health insurance coverage provided by a participating insurer consistent with Section 7 of this Act.
K. "State Medical Office" means the [state] office responsible for administrating Title XIX of the United States Code.
L. "Target low-income child" means a child, except as provided by paragraph 4) of this subscription, who:
1) Has been determined eligible by this State under this Act:
a) is a low-income child, or
b) is a child whose family income exceeds the Medicaid-applicable income level of [state] by not more than 50 percentage points, and
3) is not found to be eligible for Medicaid or covered under a grouphealth plan or under health insurance coverage. (This does not include a health insurance coverage program offered by [state] that receives no federal funds and that has been in operation since before July 1, 1997.).
4) Such term does not include--
a) a child who is an inmate of a public institutions or a patient in an institution or a patient in an institution for mental diseases; or
b) a child who is a member of a family that is eligible for health benefits coverage under a State employee health benefits plan.

Section 4. Program Administration and Financing

- A) The State shall prepare a State Children Health Insurance Program or submission to the Secretary of the U.S Department of Health and Human Services within\_\_ of the date of enactment of this Act.
B) The Department shall enter into contract with at least two insurers and at

least two health maintenance organizations that offer a qualified child health plan.

C) The State Medicaid office shall be responsible for certifying the eligibility of children for the State Children's Health Insurance Program. (DRAFTING NOTE: Some states may have another agency better equipped to certify eligibility.)

D) Upon notice of enrollment of a targeted low-income child in a qualified child health plan, the Department shall forward the annual negotiated cost of insuring each targeted low-income child to the appropriate participating insurer.

E) No event shall more than 10 percent of the federal and state funds be used for

- 1) Other children's health programs for targeted low-income children:
- 2) initiatives for improving the health of children (including targeted low-income and other low-income children):
- 3) outreach activities that inform families of children who are likely to be eligible for this program or other public or private health insurance programs, and
- 4) other reasonable costs incurred by the State to administer the program.

#### **Section 5. Insurer Provisions.**

A. To be eligible for the state payment, a participating insurer shall offer a qualified child health plan to eligible children without regard to health status and without the imposition of preexisting condition exclusion, except that a preexisting condition exclusion may be applied if the qualified health plan is provided through a group health plan or group health insurance coverage, consistent with the limitations on the imposition of preexisting condition exclusions in connection with such coverage under State and federal law.

B. Premium and cost-sharing amounts are limited to the following:

- 1) No deductibles, co-insurance or other cost-sharing is permitted with respect to Benefits for well-baby and well-child care including age-appropriate immunizations.
- 2) For children whose family income is at or below 150% of poverty:
  - a) Premiums, enrollment fees or similar charges may not exceed the maximum monthly charge permitted consistent with standards established to carry out section 1916 b) 1) of the Social Security Act, (42 U.S.C. 201 et seq.) and
  - b) Deductibles and other cost sharing shall not exceed an amount that is nominally consistent with standards provided under Section 1916 a) 3) of the Social Security Act (42 U.S.C) 301 et. seq.), as adjusted.
- 3) For children whose family income is more than 150% of poverty, premiums, deductibles, and other cost-sharing may be imposed on a sliding scale related to income, provided that a total annual aggregate cost-sharing with respect to all targeted low-income children in a family under this Act shall not exceed 5% of such family's income for the year involved.

C. Existing health insurance sales and marketing methods, including the use of agents and payment commissions, shall be utilized to inform families of the availability of the [state] Children's Health Insurance Program and assist them in obtaining coverage for children under the program.

#### **Section 6. Eligibility Provisions**

A. Targeted low-income children shall be eligible for coverage with a participating insurer regardless of health status.

B. Eligible children shall be allowed to change enrollment between participating insurers upon the annual coverage renewal date, provided the at least six months notice of an election to change enrollment is provided to the participating insurer with which the child is currently enrolled. The notice provision shall be reduced to 60 days if the child has changed residence to an area outside the geographic service area of the participating area insurer with which the child is currently enrolled.

#### **Section 7. Scope of Benefits**

A qualified health plan shall contain benefits consistent with either A) B) or C). However, nothing in this Act shall be construed to prevent a qualified child health plan from offering a category of benefits that are not specified herein.

- A. Health insurance coverage equivalent to one of the following:
1. the standard Blue Cross/Blue Shield preferred provider option under the Federal employees health benefit plan (5 U.S.C. 8903 1), or
  2. a health benefits coverage plan that is offered and generally available to State employees, or
  3. health insurance coverage offered by health maintenance organizations that has the largest insured commercial, non-Medicaid enrollment of covered lives in the State.

- B. 1) Health insurance coverage that has an aggregate actuarial value at least equivalent to A) 1), 2) or 3) and that includes coverage for the following basic services:
- a) inpatient and outpatient hospital services;
  - b) physicians' surgical and medical services;

- c) laboratory and x-ray services' and
  - d) well-baby and well-child care, including age-appropriate immunizations.
- 2) Health insurance coverage based in actuarial equivalence for basic services as described in paragraph 1) of this subsection may provide the following additional services if the coverage for such services has an actuarial value of least 75% of the actuarial value of the coverage provided in that category of services in such package:
- a) coverage of prescription drugs;
  - b) mental health services;
  - c) vision services;
  - d) hearing services;
- C. Upon application by this State, any other health insurance coverage that has been approved by the U.S Secretary of Health and Human Services.

**Section 8.** [Severability Clause]

**Section 9.** [Repealer Clause]

**Section 10.** [ Effective Date]

Were your laws repealed?

Center for Media and Democracy's quick summary:

This legislation would lead to privatization of SCHIP.

**About Us and ALEC EXPOSED.** The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish [www.PRWatch.org](http://www.PRWatch.org), [www.SourceWatch.org](http://www.SourceWatch.org), and now [www.ALECexposed.org](http://www.ALECexposed.org). For more information contact: [editor@prwatch.org](mailto:editor@prwatch.org) or 608-260-9713.