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NEWS RELEASE

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Christie Whitman Announces \$136 Million Program to Provide Health Insurance For Low-Income Children

Gov. Christie Whitman today announced the first phase of the New Jersey KidCare initiative in keeping with her commitment to extend health insurance coverage to all New Jersey children by the year 2001. The initial phase of the program will provide health insurance coverage for 102,000 children from low-income families who presently do not have insurance coverage.

"I am proud to announce that, beginning January 1, New Jersey will invest \$136 million in state and federal funds annually to meet the health care needs of all low-income children in New Jersey," Whitman said. "We call the program New Jersey KidCare -- and I consider it innovative government at its best. It shows that we care not only about kids but about their families and about New Jersey taxpayers as well."

"The first phase of New Jersey KidCare will reach 40 percent of all uninsured children in New Jersey," the Governor said. "Let me emphasize that this is the first installment of my vision for ensuring that every child in New Jersey will have coverage," the Governor said. "By early next year, I expect that with the help of the Robert Wood Johnson Foundation and federal waivers, we will be ready to announce the second installment of New Jersey KidCare, which will close the gap completely."

"I think we've found the right way," Whitman said. "New Jersey's approach will help kids grow up healthy and strong without making government big and fat along the way. I'm excited about New Jersey KidCare and eager to have the Legislature help me pass it into law as quickly as possible."

The initial phase of the New Jersey KidCare initiative is being implemented under the recently-enacted federal legislation authorizing a children's health insurance program. The first phase of the New Jersey KidCare proposal is being funded through a \$88 million federal grant and \$47.6 million in state matching funds to provide funding totaling \$136 million.

In order to receive the federal funding, states must have in place a federally-approved plan for insuring eligible children.

The first phase of the New Jersey KidCare program will use a combined approach to provide health insurance through managed care programs for 102,000 children whose families have incomes of up to 200 percent of the federal poverty level. This will be accomplished by expanding the Medicaid program to cover all children with family incomes up to 133 percent of the poverty level and by providing comprehensive, managed care coverage for uninsured children with family incomes between 133 percent and 200 percent of the poverty level.

The federal poverty level is \$16,000 for a family of four, thus families of four can earn up to \$32,000 to be eligible for the program.

Children up to 18 who were not insured for at least 12 previous months will be eligible for the program. For families with incomes above 150 percent of the poverty level, a premium contribution will be required. The premium, however, will be based on a sliding scale and will not exceed two percent of the family income. The premiums will be in the range of \$20 to \$25 per family per month.

New Jersey KidCare coverage will include a comprehensive package of benefits, including well child and other preventive services, hospitalization, doctor care, lab and x-ray, prescription drug, mental health services, dental, vision and hearing services.

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