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# OP-ED

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## “Why We Can’t Wait for FamilyCare”

Illinois’ new \$53 billion budget was signed into law on June 12th. The budget did not include start-up funds for the “FamilyCare” health insurance program. As a result, more than 200,000 working poor mothers and fathers, and hundreds of small to mid-sized employers will have to wait another year for health care relief. Despite extensive efforts by a coalition of groups representing a large spectrum of interests in Illinois, the General Assembly and Governor declined to fund this life-saving program.

Opponents to FamilyCare agree that the program is a good one and the right thing to do in Illinois, but they believed that it was not enough of a fiscal priority to be included in the state budget for the coming year. But for many men and women who often forgo preventive health care that would stave off illness and keep them active in Illinois’ labor pool, there could not be a better time to act.

Thousands of people and groups across the state understood the need and mobilized public support for FamilyCare, as part of a coalition led by United Power for Action and Justice, National Center on Poverty Law, and hundreds of health, business, labor, religious, and other groups. A poll, conducted for Voices for Illinois Children, showed that 79% of Illinois voters supported the FamilyCare idea of extending KidCare benefits to adults. The program would cover low-income adults who earn too much to qualify for Medicaid but do not make enough to afford private insurance. It would provide help for workers to buy into their employer’s health insurance plan or it would cover them under the state-administered KidCare insurance. The start-up costs in the coming year would only have been about \$7 million for the Illinois share, with the federal government picking up the other 65 percent of the total costs. In later years, the Illinois share of the fully operational program would be about \$70 million per year (a little over a tenth of a percent of the state budget).

FamilyCare would decrease the level of uncompensated care. In 1998 alone, Illinois had \$1.6 billion of uncompensated care in hospitals. Blue Cross-Blue Shield of Illinois estimates that 3 to 5 percent of the premium costs for people with insurance are due to cost shifting by hospitals to make up for their uncompensated care. FamilyCare would reduce the billions that are lost annually by companies whose uninsured workers become ill and lose productivity or have to take medical leave. FamilyCare would help employers control health insurance premium costs by helping healthier employees afford to keep participating in employer-supported health plans. When healthier employees opt not to participate in their employer’s plan, the plan is left with participation by fewer and sicker employees, and that is a recipe for even larger annual premium cost hikes.

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Ironically, Illinois' decision not to proceed with FamilyCare was made at the same time the administration of New York Governor Pataki and the federal government finalized an agreement that permits New York to begin providing medical coverage to 600,000 uninsured New Yorkers through its version of FamilyCare. Seventeen states provide parent coverage similar to FamilyCare under various funding schemes. New York is now the fourth state that has gotten permission to use the 65 percent federal matching funds for the coverage of KidCare parents.

The KidCare federal matching funds that provide the great 65 percent matching rate are only available on a "use it or lose it" basis. The money earmarked for Illinois is lost every year that we do not spend it. Last year the state returned \$69 million of the \$122 million in federal funds earmarked for Illinois. Every year that we wait to enact FamilyCare, we lose more – it will come to \$200 million over the next two years. When we lose it, it is redistributed to other states, such as New York, Wisconsin and Indiana, to support their FamilyCare or children's health programs.

On the plus side, Governor Ryan expressed his support of FamilyCare during the waning days of the assembly. He has an opportunity to show leadership in moving FamilyCare closer to reality. The administration can open negotiations now with the federal government to obtain the waivers necessary to access the 65 percent matching funds. With the federal waivers in place, there will be no delay after Illinois decides to fund the state share of the program. We urge Governor Ryan to identify the funds necessary to start FamilyCare and bring the issue before the fall veto session for an appropriation to start the program this year. We urge the Governor to include full funding for FamilyCare in his proposed budget for fiscal year 2003 that will be enacted in next spring's session. State lawmakers, who overwhelmingly supported the FamilyCare concept in the recent session, must join the Governor in making it happen without further delay. By extending health care coverage to parents, everyone wins—workers, employers, communities, and families.

Issuing tax credits to bring Boeing here is a good deal for the state. Leveraging 65 percent of federal funds to secure medical coverage for 200,000 working parents who already live here is an even better deal for the state.

We the undersigned,

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