



## *Farming, Ranching, and Stress: It's a Family Issue*

### #13: Health Insurance: Is Your Child Covered?

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The **basic purpose of health insurance is protection.** It protects the policyholder and his or her family from a designated catastrophic loss.

It's all about the "**law of large numbers.**" The health risk identified is transferred to a large group of individuals. The group shares in the financial losses suffered by a few members of the group, reducing the cost to any individual or family.

#### **Jack and his family have a message for us**

Jack is a son of low- to moderate-income parents who have no dependent health care coverage through their employers and who cannot afford to purchase private health insurance for their children.

Jack contracts cancer, and the initial doctor and hospital bills are estimated at \$35,000 or more. Jack is likely to need extended medical care beyond the initial treatment, and his ailment will have to be closely monitored.

If Jack's parents would have had basic and major medical insurance coverage, most of his doctor, hospital, and treatment bills would have been paid by the insurance company. This happens because other policyholders have also paid insurance premiums entitling them to this same health care coverage (the company bets that not every policyholder will need the same expensive coverage). Jack's family would have to pay any deductibles,

co-payments for doctor visits and prescriptions, and the coinsurance amount—a portion of the expenses up to a maximum amount.

Without insurance coverage, Jack's family will likely be unable to pay all the charges associated with this medical emergency and it might be virtually impossible to find a company that would take Jack on without an exorbitant fee, high deductible, and/or exclusion of any cancer treatment.

#### **CHIP steps in for families without private insurance**

So Jack's parents investigated the **free** state Children's Health Insurance Program (CHIP) for meeting the medical needs of children. CHIP, initiated in South Dakota in 1998, provides free health insurance to children of families who meet certain eligibility guidelines. These guidelines include an income of up to 200% of the national poverty level (currently a monthly income of \$3,017 for a family of four).

CHIP covers doctor appointments, hospital stays, dental and vision services, prescription drugs, mental health care, and other medical services at no cost. A full listing of medical services covered are on-line at <http://www.state.sd.us/social/medical/Recipient/covered.htm>

South Dakota has 215,000 children under age 19. About 79,000 or 37%, like Jack, are in families whose incomes

fall within income guidelines and may be eligible for medical assistance. Twenty-seven percent, 58,500 of all South Dakota children, receive free health insurance under CHIP or Medicaid. Children who already have private health insurance and meet income guidelines may also be eligible for CHIP deductibles, co-payments, and other medical services not covered by their private policies.

(If your children are not eligible for CHIP or Medicaid, see Fact Sheet 913, How to get health insurance, for steps in securing medical insurance for families. Look for it at your county Extension office.)

### **CHIP also keeps healthy children healthy**

Jack's parents should also take advantage of services for keeping his brothers and sisters healthy. Children in **any** family with **any** income level are not safe without immunizations, which should be current.

In addition, children should be tested for lead in their blood at ages 12 and 24 months. If a child is younger than six years and has never been tested, your doctor may advise more frequent testing.

Regular medical checkups are also available in the CHIP program and are advisable for Jack, his siblings, and all eligible South Dakota children, whether they are sick or not. In South Dakota, the Healthy Kids Klub promotes medical checkups. Regular checkups may detect and head off developing health problems. These checkups include an examination and evaluation of general physical and mental health, growth, development and nutritional status, vision, hearing, and dental health status.

South Dakota farm and ranch households in ten northwest counties postponed medical or dental care to save money in the aftermath of the 1996-97 blizzard. A little less than half of participant families (46%) used this strategy to

decrease their expenses. They were taking a **big** chance their family members would stay healthy.

Whether your child is an infant or teen, regular medical checkups are necessary—in some cases, lifesaving.

Make an appointment now. Take your child's immunization records and current Medical Benefits ID card along with you. Suggested check-up and immunization schedules for children are found on the Department of Social Services Web site at <http://www.state.sd.us/social/Medical/Recipient/KidsKlub/Looks.htm>

In addition, immunizations, physical and developmental screenings, and health education services may be available through your local community health nurse.

### **Don't wait for something to happen**

Be proactive in getting health insurance to cover your children's illnesses and accidents. Have your children immunized, and seek early detection of their health problems.

#### Resources:

- American Academy of Pediatrics and Center for Disease Control, Childhood immunization support program. Accessed on 8/7/02 at <http://www.cispimmunize.org/>
- Centers for Disease and Control and Prevention. Recommendations for blood lead screening of young children enrolled in Medicaid: Targeting a group at high risk. Accessed on 8/7/02 at <http://www.cdc.gov/mmwr/preview/mmwrhtml/rr4914a1.htm>
- Gorham, E. & R. Stover. 2000. Survival after the storm: A survey of residents of the northwest counties of South Dakota, SDSU Cooperative Extension Service.
- Insurance Education Foundation. Choice, chance, and control. Indianapolis, IN.
- Medical assistance: Families and children - Children's Health Insurance Program (CHIP). South Dakota Department of Social Services. Accessed on 7/16/02 at <http://www.state.sd.us/social/Medical/CHIP/Index.htm>

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