

Making Dependent Coverage Affordable for Lower-Income State Employees Reaching More Children through FAMIS

Importance to Virginians

State employees may cover their dependent children through their employee health insurance, but for many families this is not an affordable option. Employees who choose this option face an increase in their insurance premium contributions of approximately \$100 to \$200 per month. Even with the most comprehensive coverage, employees must also make copays of up to \$40 for doctor visits. Virginia's state workforce includes a sizeable number of lower-income employees. Last year, more than 9,600 full-time state employees qualified for the Earned Income Tax Credit, a federal tax subsidy for lower-income working families. These health care premiums and copays represent a significant reduction in take home pay for many state workers. Some may be forced to opt for employee-only coverage; others may struggle to pay for rent or other necessities because of the additional cost for their children's insurance.

Goal

Virginia's FAMIS program provides affordable, comprehensive health coverage at a very low cost to qualifying families. Under existing Virginia policy, dependents of state employees who are eligible to enroll in the state's health plan may not receive coverage through FAMIS. We are eliminating this restriction, and by the end of 2014, new qualifying state employees will be allowed to enroll their dependent children in affordable health coverage through FAMIS. Abolishing this restriction will:

- Increase health insurance coverage for low-income children.
- Lower costs for the Commonwealth by leveraging federal funds available through FAMIS for those employees who choose to switch their children's coverage.
- Help hard-working state employees whose salaries have not kept up with the cost of living by offering a low-cost, quality health insurance option for their children.

Issue Background

Prior to the Affordable Care Act, federal law prohibited dependents of public employees from enrolling in the state's child health insurance program, known as FAMIS in Virginia. Now, states can receive federal approval from CMS to enroll children of eligible state employees in these programs as long as the state meets certain requirements.

A Healthy Virginia

Strategy for Success

By opening FAMIS to children of state workers, we can improve access to affordable, high-quality, comprehensive health care for children of lower-income state employees. A mother with one child may be eligible to enroll her son or daughter in FAMIS if the family's gross monthly income is no more than \$31,460 annually. DMAS estimates that approximately 5 percent of state workers will be eligible. Assuming each of these state employees has an average of one child, 5,000 children could be covered.

Timeline

DMAS is working with the Department of Human Resource Management (DHRM) to seek approval from CMS to offer FAMIS to dependents of state employees. DMAS will work with DHRM to finalize an implementation plan by September 30, 2014. New eligible Virginia state employees will be able to begin enrolling their children in FAMIS in January 2015. Current employees eligible for FAMIS will be able to select this coverage during open enrollment in July 2015.

Measures of Achievement

Success will be measured by the number of state employee children who were previously uninsured but were able to obtain coverage through FAMIS, and by the state dollars saved by providing this new option.
