



Written by [Michael Tennant](#) on January 30, 2014

ObamaCare Forces Kids Into Medicaid

“The law isn’t making health-care more affordable, it’s masking a huge price increase.”

These sentiments, expressed by Shannon Wendt of Grand Rapids, Michigan, are but the latest version of a common refrain being sung throughout the United States: The Affordable Care Act (ACA), aka ObamaCare, is egregiously misnamed.

Wendt, a 30-year-old mother of five, recently discovered what many other parents are also learning the hard way: If their children are eligible for Medicaid or the Children’s Health Insurance Program (CHIP), they must be covered under that program, not under a family health plan bought on an exchange. Otherwise, the family will forfeit its premium-assistance subsidy — in many cases, the only thing making insurance affordable under the ACA, which otherwise drives up premiums.

According to [FOXBusiness](#), Wendt struggled for months to obtain health insurance through Healthcare.gov, spending much of her Christmas Eve trying to make sure her family would be covered when the new year arrived — a necessity given that “her family’s Blue Cross Blue Shield plan was cancelled for not meeting certain requirements under” ObamaCare. On the very last day of 2013, she managed to obtain temporary coverage directly from Blue Cross Blue Shield, albeit with a significantly increased premium and deductible from the family’s previous plan.

Once Wendt — who, with her husband, Zach, is a small-business owner — finally managed to get Healthcare.gov to work, she discovered that because their family income falls below 200 percent of the federal poverty level, the Wendts qualify for a subsidy for buying insurance, and their children are eligible for CHIP. The catch is that the children must be enrolled in CHIP. If they are added to the family’s plan that was purchased on the exchange, the Wendts can kiss their subsidy goodbye.

“If we want our children on our family plan — whether its [sic] two or 10 people — we lose the subsidy,” Wendt told FOXBusiness. “It’s amazing that they are forcing families onto government health-care. It almost feels like an attack on small business owners. This revelation is more frustrating than the initial glitch.”

The Wendts are hardly alone in their predicament.

“It’s a nationwide issue that we’ve heard time and again, and it could have very significant coverage issues for families,” Jessica Waltman of the National Association of Health Underwriters told the [Associated Press](#), which notes that Waltman “said her group has raised the problem, and others, with





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federal officials and asked for a dedicated hotline or email address for insurance brokers to get answers.”

Thus far, however, Washington has been relatively unresponsive, and so “children are going without coverage,” writes the AP.

“The children are getting stuck in this spot where we’ve enrolled the parent, but we can’t bring the children back on the family plan,” Maria Proulx, senior legal counsel for Anthem Blue Cross and Blue Shield of New Hampshire, told a Granite State advisory board earlier this month.

Russell Clouden, 53, of North Port, Florida, “was thrilled to find a better, cheaper family plan through the new marketplace, then stunned to realize his 14-year-old daughter wouldn’t be enrolled because she might qualify for Florida Healthy Kids, the state’s version of CHIP,” reports the AP. “The federal government still hasn’t transferred roughly 90,000 Medicaid files over to Florida officials, including Clouden’s daughter’s, so she still doesn’t have insurance.”

“Based on your income, they’ll separate your kids from your primary policy and they shift them off to Medicaid or Healthy Kids and there’s no way you can bring them back,” Clouden said.

Matthew Dinkel, an insurance broker in Fort Myers, Florida, told the AP “he has about 15 clients in Clouden’s position.”

“I have worried parents literally calling and texting me every day asking for an update,” said Dinkel. “They canceled their old plans that covered their entire family and now they have coverage but their kids don’t.”

New Hampshire construction consultant Marc Jobin told the AP that the enrollment “process has been so confusing, he’s put off a decision for himself, his wife and their two children, even though he’s seen premiums that are significantly lower than what they pay now.”

“We’ve been hesitating for two months now because the information is not clear,” Jobin said. “Around the holidays, we were thinking, ‘let’s do this, let’s sign up,’ and then the latest problem is now our children will probably be thrown into the state health care system, but nobody knows what that means.”

For that matter, nobody even knows for sure if the Jobin kids will end up in the state system. Like Florida, New Hampshire “is getting incomplete application information from the federal government, making it harder to contact people to determine their Medicaid eligibility,” New Hampshire Department of Health and Human Services associate commissioner Mary Ann Cooney told the AP.

Robert Clark of California got the runaround from his state insurance exchange but ultimately discovered that he, too, had to enroll his children in Medicaid. He told the AP he “doesn’t like that prospect because the doctors his children have seen since their births don’t take Medicaid.”

That’s because “a lot of Medicaid and CHIP programs pay physicians less than private insurers and Medicare,” Paul Howard, director and senior fellow at the Manhattan Institute’s Center for Medical Progress, told FOXBusiness. “When [patients] go to see a specialist, they may wait longer, or not even get to see some of the doctors they want to see.”

Howard said “it’s unclear if [forcing kids into Medicaid and CHIP] is unintentional, or if it is a mechanism to offset the score of the bill, as CHIP is less expensive than federal subsidies,” writes FOXBusiness. The Obama administration isn’t exactly helping to make things any clearer. “The federal Centers for Medicare and Medicaid Services [CMS] declined to say how the system is supposed to work for families and what problems have emerged,” the AP reports. “But a regional manager for CMS



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acknowledged the problem ... and said the agency is working on it."

New Hampshire's Cooney agrees that things are improving, telling the AP, "There's a real light at the end of the tunnel."

Of course, given how well ObamaCare has worked out so far, that light at the end of the tunnel just might be an oncoming train.



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