



## **6,500 Parents will Lose Rite Care on January 1, 2014 Under House Finance Committee Budget Proposal**

**6,500 Rhode Island parents will lose the affordable, comprehensive coverage they have through the Rite Care Program.** Under the House Finance Committee's 2014 Budget, low-income working parents between 175% and 133% of FPL (between \$34,177 and \$25,975) will lose their Rite Care health insurance. These are families already struggling to make ends meet.

**Under the House Finance Committee plan, low-income working parents will face significant out-of-pocket costs for health care.** Parents who lose Rite Care coverage will be expected to switch to private health insurance through the new Health Benefits Exchange. Although some funds are included in the budget to help these families buy coverage, the subsidies will not be enough to cover the full cost burden they will have to shoulder. Out-of-pocket costs, including co-payments for doctors' visits, medication and deductibles will average \$2,000/year, and the House Finance Committee plan does not provide help paying for these costs.

**3,200 Rhode Island low-income families will also have to pay new monthly premiums.** Under the current Rite Care program, only families with income above 150% FPL (\$29,295 for a family of 3) are expected to pay a monthly premium. Rhode Island set this threshold recognizing that families with income below this amount did not have enough money in their budgets to contribute to the cost of health care without sacrificing other basic needs.

Yet – half of the parents who will lose Rite Care coverage live in families with income below the current threshold. These parents will be required to pay between \$65 and \$97/month<sup>1</sup> to buy coverage through the Exchange. They will also be liable for \$2,000 in out of pocket expenses. These new costs are a step in the wrong direction for hard working families in our state.

**Moderate income families will see a hike in premiums.** Families with income above 150% FPL and below 175% FPL (between \$29,275 and \$34,177 for a family of three) currently pay a monthly premium for Rite Care for their family of \$61/month. To enroll in coverage through the Exchange, these parents will need to pay between \$98 and \$151/month<sup>2</sup> and will also be liable for \$2,000 in out-of-pocket costs.

**Repealing the Rite Care premium for children will help moderate income families afford coverage for all family members.** The House Finance Committee budget repeals the Rite Care premiums for children. This positive change will help families who will continue to enroll their children in Rite Care and will need to buy coverage for parents through the Exchange. Children continue to be eligible for Rite Care as long as family income is below 250% FPL. Thousands of children lose Rite Care coverage each year because their family cannot afford the monthly premium to pay for them to pay for them.

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<sup>1</sup> This includes federal subsidies but does not include any subsidy the state may provide.

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