CHIP 101: Why the Children’s Health Insurance Program Matters for Kids

May 16, 2017
12:00 p.m. to 1:00 p.m.
HVC-200

Sponsored by: Children’s Hospital Association, American Academy of Pediatrics, Family Voices, First Focus, Georgetown University Center for Children and Families, and March of Dimes
Medicaid & the Children’s Health Insurance Program

Working together for children and families

Lee Ann Savio Beers, MD, FAAP
Past President, AAP DC Chapter
Medical Director for Municipal and Regional Affairs, Child Health Advocacy Institute, Children’s National Health System

May 2017
Children’s health insurance coverage has reached historic levels in the United States, thanks to Medicaid, CHIP, and the ACA.
PUBLIC COVERAGE FOR CHILDREN

Medicaid: 37.1 million
CHIP: 8.9 million
Marketplace: 1.1 million

Sources: SEDS FY 2016 Ever-Enrolled in Medicaid/CHIP
“Health Insurance Marketplaces 2016 Open Enrollment Period: March Enrollment Report.” ASPE.
March 11, 2016.

Graphic: Georgetown University Center for Children and Families
CHIP Basics

- Provides coverage for children who do not qualify for Medicaid but lack access to other forms of insurance
- Offers age-appropriate benefits, including dental coverage and mental health and substance abuse services
- Includes networks of pediatricians, pediatric medical and surgical subspecialists
- Includes protections that make coverage affordable
MEDICAID MATTERS

• Covers 37 million children across the country, including those with special health care needs and those from low-income families

• Early and Periodic Screening, Diagnostic and Treatment benefits viewed as the gold standard of preventive care
Miss fewer school days due to illness or injury

Do better in school

Are more likely to graduate high school and attend college

Grow up to be healthier as adults

Earn higher wages

Pay more in taxes
Snapshots of Children’s Coverage by State

**United States**

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>CHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>37 million</td>
<td>8.9 million</td>
</tr>
<tr>
<td>2009</td>
<td>37 million</td>
<td>8.9 million</td>
</tr>
<tr>
<td>2010</td>
<td>37 million</td>
<td>8.9 million</td>
</tr>
</tbody>
</table>

Medicaid and CHIP serve the United States' most vulnerable children. A large share of at-risk children rely on public coverage, as reflected by the percentage of United States children in each group below that depend on Medicaid and CHIP for health care they need to thrive.

- **79%** of children living in or near poverty.
- **45%** of infants, toddlers, and preschoolers during the early years that are crucial to their healthy development and school readiness.
- **42%** of children with disabilities or other special health care needs such as seizures, scoliosis, or asthma.
- **100%** of infants born at or below poverty, family relationship, nutrition, and abuse, that result in high rates of cognitive, physical, emotional, and developmental problems.
- **48%** newborns to children with a healthy childhood and thriving, start during their critical first year of life.

**Sources of Children's Coverage in United States**

- Medicaid
- CHIP
- Employer-sponsored insurance
- Medicare
- Affordable Care Act
- Other

**Medicaid and CHIP are critical to children’s healthy development and success in life.**

Medicaid and CHIP provide critical services including well-child check-ups, immunizations, and dental care. Through the program's comprehensive coverage for children—known as Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)—Medicaid provides children with 51% of potential.

**Support CHIP Funding**

CHIP funding received in 2017 was $57% of total federal funds received by states. For more information, visit [www.aap.org/federaladvocacy](http://www.aap.org/federaladvocacy).
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CHIP Program Design

Sharon L. Carte, MHS
May 16, 2017
12:00PM-1:00PM
3 State Options Under Title XXI

1. An Expanded Medicaid Program

2. A Separate Program

3. A Combination Program

→ Of the 8.4 million CHIP enrollees 0 to 18 years:
  - 3.4 million children (40%) are in separate CHIP
  - 4.7 million (56%) are in Medicaid expansion CHIP
  - The rest (0.3 million) are unborn children in separate CHIP
CHIP Eligibility

- Targeted low income children under 19 years of age who:
  - are not Medicaid eligible
  - do not have insurance coverage

- State option to cover pregnant women (if state Medicaid covers them up to 185% FPL)

- State flexibility on income counting prior to ACA; by 2015, 23 states cover children from 200 to 249% and 26 are at or above 250% FPL
State Flexibility in Separate CHIP Benefit Design

- Different standard benchmark plan options, or Secretary-approved option

- Separate CHIP plans have in common:
  - Preventive services (follow American Academy of Pediatrics guidelines)
  - Comprehensive coverage
  - Pediatric-centered plans
Why Pediatric-Centered Benefits?

“… the benefit packages of typical private-sector insurance plans – those that are recommended as “benchmark plans” – are not designed for growing and developing children, and especially not for low income children, who have rates of health care need that are higher than those of their higher-income peers. Frequently, such plans limit their scope of services to children inappropriately, do not apply a preventive standard of medical necessity, and do not have child health specialists consistently accessible.”*

*Schor, Abrams, and Shea in Health Affairs, March/April 2007, Vol. 26 No. 2
“Medicaid: Health Promotion And Disease Prevention For School Readiness”
CHIP Benefit Design

- Comprehensive medical & prescriptions
- Whole-child focus includes dental services and mental health inpatient and outpatient
- Preventive screenings for vision and hearing
- Well child visits including developmental screens
- Immunizations

- Remedial services such as speech, physical, and occupational therapies
- Eyeglasses, lenses, hearing aids
- Special needs services such as:
  - Applied behavioral therapies
  - Services for developmental delays
WVCHIP Covers

Preventive

- Well Baby/Child/Teen Visits
- Immunizations
- Developmental Screening
- Dental, Vision, & Hearing Services

Remedial

- Birth to Three
- Speech, Physical, & Occupational Therapies
- Eyeglasses, lenses, & hearing aids
- Behavioral Therapy for Autism Disorders
- Mental Health/Substance Abuse
- Comprehensive Medical
- Physician Services, Rx, Hospital and Outpatient
Affordable Cost Sharing

- Separate CHIP’s are permitted to charge premiums and cost sharing

- Combined premium and cost sharing expenses may not exceed 5% of a family’s income

- Cost sharing not permitted for preventive visits or screening
Separate CHIP Cost Sharing in 2016

- 30 states had premiums or enrollment fees ranging from $12 to $40 per child

- 25 states have copays for some types of services (e.g. non-preventive physician visits, ER visits, Rx)

- Infrequent use of deductibles or coinsurance by CHIP as those forms of cost sharing may present access barriers
# Premiums and Selected Cost Sharing

## West Virginia’s CHIP Program 2015

<table>
<thead>
<tr>
<th>Family Income Level</th>
<th>Premiums</th>
<th>Office Visits</th>
<th>Inpatient Services</th>
<th>Prescription Drugs</th>
<th>ER Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 150% FPL</td>
<td>None</td>
<td>$5*</td>
<td>None</td>
<td>$0-$5</td>
<td>None</td>
</tr>
<tr>
<td>&gt; 150%-211% FPL</td>
<td>None</td>
<td>$15-$25*</td>
<td>$25</td>
<td>$0-$10</td>
<td>$35+</td>
</tr>
<tr>
<td>&gt; 300% FPL</td>
<td>$35/$71 max^</td>
<td>$20-$25*</td>
<td>$25</td>
<td>$0-$15</td>
<td>$35+</td>
</tr>
</tbody>
</table>

*Waived when member has a designated medical home.

^There is a single child family premium vs. multi-child family premium.

+Waived if member is admitted.
CHIP Provider Networks

- Provider networks must be adequate to assure children’s access to services

- In state programs monitor and assist in access to primary care providers, dentists

- Numbers of pediatric specialists (e.g. pediatric cardiologists, child psychiatrists, etc.) may be limited in rural states

- CHIPs MCO and Third Party Administrator contracts help assure access to out-of-state networks (e.g. children’s hospitals, transplant networks, pediatric clinics, etc.)
Reference
Medicaid and CHIP Payment and Access Commission (MACPAC) 2017 Report to Congress on Medicaid and CHIP
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A State Perspective on CHIP

Matt Salo

National Association of Medicaid Directors