Strengthen Exchange Coverage for Children

As originally envisioned, the health insurance Exchanges represented an opportunity to create a national model for children’s health care coverage. However, the implementation of the Exchanges has fallen short in meeting their promise of ensuring that children get the care they need when they need it. In fact, the Centers for Medicaid & Medicare Services found that pediatric benefits and cost sharing in the qualified health plans sold through the Exchanges are not comparable to those in the Children’s Health Insurance Program (CHIP). To better meet children’s needs, Exchange coverage must be strengthened in the following three areas:

The Essential Health Benefit (EHB) package must be pediatric-appropriate

The current federal EHB benchmark approach falls short in covering age-appropriate pediatric services that meet children’s unique health and developmental needs. Exchanges can work better for children if:

- The pediatric EHB is based on a pediatric medical necessity model, similar to the Early and Periodic Screening, Diagnostic and Treatment benefit
- States are allowed to choose their current CHIP plans as the benefit package for children
- Health plans are required to cover a minimum set of developmentally appropriate habilitative services and devices without age restrictions or arbitrary visit limits

Provider networks must be adequate for children

Federal requirements related to provider networks in the Exchanges do not ensure children have access to the full spectrum of primary, specialty and ancillary providers they need when they need them. Exchanges can work better for children if:

- Children have timely access to appropriate in-network providers with the training and expertise to meet their unique needs, regardless of the complexity of their condition
- Provider networks include all essential community providers, including children’s hospitals

Children’s coverage must be affordable

The Internal Revenue Service calculation of affordability of private coverage, as well as the out-of-pocket costs of care (i.e., deductibles, copays, coinsurance), make Exchange coverage unaffordable and inaccessible for hundreds of thousands of low-income children. Exchanges can work better for children if:

- The calculation of affordability of private coverage, which has resulted in the “kid glitch,” is redefined to encompass the costs of coverage for an entire family
- The maximum out-of-pocket costs for low-income children are reduced so families can afford their care

Until Exchange coverage is appropriate for children, CHIP funding must be continued to ensure that children have access to affordable and comprehensive services that meet their needs.

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1 The calculation of affordability of private insurance is based on the cost of individual coverage, not the cost of family coverage.

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