



# North Carolina

## 2016 CHIP Fact Sheet

For nearly two decades the Children’s Health Insurance Program (CHIP) has provided health coverage to children in families with low to moderate income. Each state has the option to cover its CHIP population within its Medicaid program, design and structure a separate CHIP program, or establish a combination program using both options.

The Affordable Care Act (ACA) extended federal CHIP funding through fiscal year 2015, required states to maintain Medicaid and CHIP eligibility standards for children through 2019, and increased the federal CHIP matching rate by 23 percentage points.<sup>1</sup> The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) extended federal CHIP funding at its current levels through September 2017.<sup>2</sup>

**Participation Rate:** 93.4% of eligible children in North Carolina participated in either Medicaid or Health Choice for Children in 2014, the last year for which we have national data. The national average was 91% in 2014.<sup>3</sup>

**Eligibility Levels:** States establish CHIP eligibility levels within federal rules. Under the ACA’s maintenance of effort requirement, they must maintain CHIP eligibility levels they had in place when ACA was enacted until September 30, 2019. Beginning in 2014, eligibility levels for CHIP were revised based on [Modified Adjusted Gross Income \(MAGI\)](#).

**Key Highlights**

**Program Type:** North Carolina operates a combination CHIP program, called Health Choice for Children.

**Number of Children Covered:** In FY2014, 236,893 children were covered by Health Choice for Children.\*

**State’s Enhanced Federal Match Rate:** For FY2017, the federal match is 99.82%.

\*Data from Medicaid and CHIP Payment and Access Commission Dec. 2015 MACStats report.

Modified Adjusted Gross Income (MAGI) Eligibility Levels for CHIP/Title XXI in North Carolina (by Age Group) in 2016			
	Ages 0 – 1	Ages 1 – 5	Ages 6 – 18
<b>Medicaid Expansion</b>	194-210% FPL	141-210% FPL	107-133% FPL
<b>Separate CHIP Program</b>	N/A	N/A	134-211% FPL

Source: Medicaid and CHIP Payment and Access Commission (MACPAC), “Chapter 5: Design Considerations for the Future of Children’s Coverage: Focus on Affordability,” March 2016 Report to Congress on Medicaid and CHIP. Note: Eligibility levels do not include the mandatory 5% income disregard.

**Benefit Package:** States that operate Medicaid expansion CHIP programs must follow Medicaid rules, including providing all Medicaid covered benefits to enrolled children. In separate CHIP programs, states have substantial flexibility in designing CHIP benefit packages within broad federal guidelines. In addition to general medical and dental benefits, other benefits offered in North Carolina’s CHIP program include (but are not necessarily limited to):

- Inpatient and outpatient behavioral health services
- Vision exams and corrective lenses
- Hearing exams and hearing aids
- Physical and occupational therapy
- Services for speech, hearing, and language disorders
- Durable medical equipment

<sup>1</sup> The increased federal CHIP matching rate began in FY2016; states’ federal matching rates currently range from 88 to 100 percent.

<sup>2</sup> Information in this fact sheet was verified by state officials.

<sup>3</sup> Genevieve Kenney et al., Children’s Coverage Climb Continues: Uninsurance and Medicaid/CHIP Eligibility and Participation Under the ACA. May 2016. <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000787-Childrens-Coverage-Climb-Continues-Uninsurance-and-Medicaid-CHIP-Eligibility-and-Participation-Under-the-ACA.pdf>

**Delivery System:** The provider network in Health Choice for Children is the same as Medicaid. Most children are required to enroll in a primary care case management system.

**Premiums & Cost Sharing:** Within federal parameters, states can set CHIP program premium and cost sharing levels. In total, any family contribution to the cost of coverage cannot exceed five percent of family income annually.

### Premiums and Selected Cost Sharing in North Carolina Health Choice for Children, 2016

Family Income Level	Premiums	Office Visits	Inpatient Services	Prescription Drugs
≤159% FPL	None	None	None	\$1-\$3
>159% FPL	\$50/\$100 max per year	\$5	None	\$1-\$10

### Strategies to Simplify Enrollment and Renewals Implemented in North Carolina

Strategy	Used
Use of presumptive eligibility	No
Use of 12-month continuous eligibility	Yes
Use of express lane eligibility	No
Premium assistance	No

The ACA required states to implement the following strategies beginning January 2014: eliminating in-person interviews, removing asset tests, creating joint application and renewal forms, and adopting automatic/administrative renewals. For definitions of strategies in this chart, see the Centers for Medicare and Medicaid Services December 2009 State Health Official letter, available at <https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/sho09015.pdf>

**Other Program Characteristics:** Below are some other key program characteristics of Health Choice for Children.

Does North Carolina...	
Require a waiting period? <sup>4</sup>	No
Offer a buy-in option? <sup>5</sup>	No <sup>6</sup>
Cover dependents of public employees? <sup>7</sup>	Yes
Cover lawfully residing children without a five-year waiting period? <sup>8</sup>	Yes

Source: *Medicaid and CHIP Eligibility, Enrollment, Renewal and Cost Sharing Policies as of January 2016: Findings from a 50-State Survey*. Kaiser Family Foundation and Georgetown University Center for Children and Families.

**Quality Measures:** States may report on a "[core set](#)" of quality measures for children. North Carolina reported on 14 measures for federal fiscal year 2014. Among the measures is access to primary care providers, listed below.

### Percentage of Children and Adolescents Visiting a Primary Care Provider, by Age (FFY 2014)

	12-24 months	25 months – 6 years	7-11 years	12-19 years
North Carolina	96.4%	87.6%	Not reported	Not reported

Source: Department of Health and Human Services, *2015 Annual Report on the Quality of Care for Children in Medicaid and CHIP, February 2016*. The measure is for the percentage of children ages 12 to 24 months and 25 months to 6 years receiving a visit to a primary care provider within the past year; and every two years for children ages 7 to 11 years and 12 to 19 years. Note: These data include both Medicaid and CHIP.

<sup>4</sup> States may implement waiting periods up to 90 days in CHIP. A waiting period is the length of time a child must be uninsured before enrollment in CHIP.

<sup>5</sup> States can allow families with incomes above the upper income eligibility limit to pay the full cost to purchase coverage for their uninsured children through CHIP.

<sup>6</sup> Information from the state. The buy-in program was eliminated through state legislation in September 2015.

<sup>7</sup> CHIPRA provided states the option to cover the income-eligible dependents of state employees under CHIP.

<sup>8</sup> CHIPRA provided states the option to remove the five-year waiting period for lawfully residing children.

For more information, visit [www.nashp.org](http://www.nashp.org).

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