Children’s Coverage
Beyond CHIP: Policy Considerations for States

National Academy for State Health Policy
Thursday, June 25, 2015
12:30 – 2:00 PM ET
Call-in #: 1-888-257-9446, Conference ID 67334041

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**Webinar Agenda**

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<td><strong>Introduction</strong></td>
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<td>Trish Riley, Executive Director, NASHP</td>
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<td><strong>Overview of Key Policy Considerations</strong></td>
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<td>• Sharon Carte, West Virginia</td>
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<td>• Rich Robleto, Florida</td>
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<td>1:30–1:55 p.m.</td>
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<td>1:55-2:00 p.m.</td>
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Overview of Key Policy Considerations

Anne Schwartz
Executive Director
Medicaid and CHIP Payment and Access Commission (MACPAC)
Children’s Coverage Beyond CHIP: Policy Considerations for States

Medicaid and CHIP Payment and Access Commission
Anne L. Schwartz, Ph.D., Executive Director
Disclaimer

• MACPAC is non-partisan agency of the federal legislative branch charged with providing analysis and advice on Medicaid and CHIP policy

• Speak on behalf of 17 commissioners appointed by U.S. Government Accountability Office (GAO)
Where CHIP Stands Today

• Congress has extended funding through federal fiscal year 2017
• Recent legislation made no changes in eligibility, design features (separate CHIP vs. Medicaid expansion), benefits, cost sharing
• Increased matching rate under ACA goes into effect October 1 effect through FY 2019
• Maintenance of effort through FY 2019
Who is Covered by CHIP

In FY 2013:

- Covered 8.1 million children
- Includes about 300,000 unborn children and 10,000 pregnant women
- Of children, almost 90 percent had family income at or below 200 percent of the federal poverty level
- Of those enrolled in separate CHIP, almost 85 percent live in households with one parent working
Significant Variation across States

- Relationship to Medicaid
- Eligibility levels
- Use of premiums
- Use of waiting periods
- Covered benefits
Children’s Coverage Today: All States

- Medicaid
- M-CHIP
- S-CHIP

Federal poverty level

States

Infants
1-5-year-olds
6-18-year-olds
Policy Discussion in 2014

- CHIP successful in reducing uninsurance among children

- ACA envisioned future for CHIP (increased match rate, maintenance of effort) but did not extend funding

- Given the existence of subsidized exchange coverage, is CHIP still needed?
Current Coverage Environment:
An Example

West Virginia Eligibility Levels, 2014

Note: Subsidized exchange coverage is available only to individuals who are not eligible for Medicaid, CHIP, Medicare, or affordable employer-sponsored insurance, where affordable is defined as out-of-pocket premiums for self-only coverage that do not exceed 9.5% of family income.
MACPAC’s Assessment

• Short-term consequences of not extending CHIP would be a step backward
  – Loss of coverage
  – Higher cost sharing in exchange, employer-based coverage
  – Benefits (particularly dental)
  – Concerns about adequacy of networks

• Extend CHIP for two years

• But over long term, rethink system to ensure that all low and moderate income children have affordable coverage that offers access to high quality care.
Debate Going Forward

- Congressional action takes care of immediate concerns about funding but questions for the future unchanged, including:
  - Sources of coverage
  - Quality of coverage
  - Activities to encourage outreach/enrollment, development and use of pediatric quality measures
Other Sources of Coverage

- Children enrolled in Medicaid expansion CHIP remain covered through FY 2019
- No anticipated loss of coverage as long as they remain in income eligibility range
Other Sources of Coverage

• Of children covered by separate CHIP, MACPAC estimated (prior to congressional action) that if funding were not extended:
  – 1.4 million would get exchange coverage
  – 1.2 million would get employer-sponsored coverage
  – 1.1 million children would become uninsured due to high costs of premiums (all eligible for another source of coverage: ½ in exchanges, ½ through employers)
Affordability: Premiums

- Costs to families include premiums, deductibles and cost sharing at the point of service

- Premium costs affect decision to purchase coverage:
  - Premium costs to family of both exchange coverage and employer-sponsored coverage significantly higher than CHIP
  - Subsidies for exchange coverage (premium tax credits) not available to those with an “affordable” offer of employer-sponsored insurance
  - Could be addressed by fixing the “family glitch,” making tax credits available to more families
Affordability: Other Cost Sharing

• Deductibles, service level cost sharing affect decision to use services once covered
  – Costs to family of both exchange coverage and employer-sponsored coverage significantly higher than CHIP
  – Extent of differential depends upon parents’ existing source of coverage
  – Substantial financial commitment for those who use a lot of services (chronic illness, catastrophic situations)
  – Could be addressed by “buying up” actuarial value for exchange coverage
Quality of Coverage

• Benefits
  – Covered benefits vary both within and across sources of coverage
  – Major medical similar between CHIP and exchange
  – Assurance of dental coverage not as strong in exchange

• Provider networks
  – Evidence, solutions not clear
  – Need for monitoring, metrics
Additional Questions

• To the extent that children must move to other sources of coverage, how to smooth transitions?
  – What have we learned from stair step transitions?
• How will states respond to end of maintenance of effort requirements in 2019?
• What happens to other activities that focus on children’s coverage?
MACPAC CHIP Resources

• March 2015 Report to Congress (Chapters 1 through 4)

• State Children’s Health Insurance Program Fact Sheet (April 2015)
  https://www.macpac.gov/publication/state-childrens-health-insurance-program-chip-fact-sheet/

• MACStats: data on CHIP enrollment and spending
  https://www.macpac.gov/macstats/chip/
More information available at www.macpac.gov

Medicaid and CHIP Payment and Access Commission

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Insights from the States

**Moderator: Trish Riley**
Executive Director, NASHP

**Carrie Banahan**
Executive Director
Office of Kentucky Health Benefit Exchange (kynect)

**Sharon Carte**
Executive Director
West Virginia Children’s Health Insurance Program

**Rich Robleto**
Deputy Commissioner
Life & Health, Florida Office of Insurance Regulation
What does children’s coverage look like in your state from the perspective of the state agency you represent?
West Virginia Children’s Health Insurance Plan

- A separate stand alone with 19,316 current enrollees (also funds another 11,000 transferred to Medicaid expansion)
- Dependent coverage of public employees and legal immigrants added in 2014
- Child preventive and remedial coverage emphasis
- A child focused program with comprehensive coverage
- Modest cost sharing (5% maximum limit)
  - Premiums only for families above 200% FPL
  - Copayments on selected services
QHP and CHIP Enrollment

• CHIP Enrollment
  ▫ Up to age 18 – 40,934
  ▫ Income up to 213% FPL (age 0-18)
  ▫ Family of 4- $51,653 Annual Income

• Child QHP Enrollment
  ▫ Age 0-18 – 10,563
  ▫ Income above 213% FPL (age 0-18) – 400% FPL
  ▫ Family of 4 - $51,654-$95,400 Annual Income (eligible for premium subsidy/APTC)

• Child only QHPs and stand-alone dental plans are offered on kynect
Florida’s KidCare Program

- **MediKids**
  - Full Pay Age 1-4
  - Healthy Kids Full Pay Silver and CHIP Age 5-18

- **Up To Age 1**

- **MediKids Age 1-4**

- **Healthy Kids Age 5-18**

- **Medicaid for Children**

Florida’s Private Market for Children

<table>
<thead>
<tr>
<th>Federal Poverty Level</th>
<th>Individual</th>
<th>Group</th>
<th>Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200%</td>
<td>Unsubsidized w/o CSR - Silver</td>
<td>Small Group - Platinum, Gold, Silver, Bronze</td>
<td>Self-Insured Groups - Minimum Essential Coverage</td>
</tr>
<tr>
<td>250%</td>
<td>Subsidized w/CSR - 4 Metal Levels</td>
<td>Large Group - Minimum Essential Coverage</td>
<td></td>
</tr>
<tr>
<td>400%</td>
<td></td>
<td></td>
<td>Uninsured</td>
</tr>
</tbody>
</table>

Can you describe the benefits available for children—through CHIP in West Virginia, the exchange in Kentucky, and the private market in Florida?
Pediatric Dental and Vision Benefits

- **Pediatric Dental Services include:**
  - Emergency oral services (accidental injury);
  - Extractions;
  - Oral (dental) examinations;
  - Oral and maxillofacial surgery;
  - Orthodontics (braces) for severe malocclusion;
  - Prophylaxis – Two cleanings per calendar year and sealants;
  - Restorations (Fillings);
  - Removable prosthodontics (e.g., dentures);
  - Root canals and crowns; and
  - X-rays.
- **Pediatric Vision Services include:**
  - One eye exam and refraction per calendar year;
  - One pair prescription eyeglasses per calendar year and one replacement pair if medically necessary;
  - Contact lenses (under specified conditions); and
  - Vision therapy.
- **QHP pediatric dental and vision benefits are based on the Kentucky Children’s Health Insurance Program (KCHIP) benefits and are provided to children up to age 21.**
Kentucky Essential Health Benefits

- 10 Essential Health Benefits (EHBs) included in QHPs: ambulatory patient services; emergency services; hospitalization; maternity and newborn coverage; mental health and substance abuse; prescription drugs; rehabilitative and habilitative services; lab services; preventive, wellness and chronic disease; pediatric vision and dental.

- Rehabilitative Services - 20 visits each for PT, ST, OT and pulmonary rehab. 36 visits for cardiac rehab.

- Habilitative Services - 20 visits for each for PT, ST, OT.

- Benefit limits are shared between rehabilitative and habilitative services.

- Issuers may substitute benefits within an EHB category.
Kentucky QHP Mandated Benefits

- Kentucky has over 30 mandated benefits that are required to be included in QHPs. Of the mandated benefits, several are specific to children and include:
  - Autism Benefits (Age 1 – 21) – 20 hours per month, prior to ACA limit of $1000 a month that was converted to hours
  - Autism Benefits (Age 1 – 21) – 20 hours per month, prior to ACA limit of $1000 a month that was converted to hours
  - Hearing Aids (up to age 18)
  - Anesthesia for Dental Services (up to age 9)
  - Therapeutic Foods, Formulas and Supplements and Low – Protein Modified Food Products for Metabolic Conditions
  - Hospice Services
  - Newborn Child Coverage
  - Autism Services for Large Group Market
    - Age 1-7 annual limit of $50,000
    - Age 7-21 monthly limit of $1000
Essential Health Benefits

- Pediatric Services Including Oral and Vision Care
  - Eye exam and either glasses or contacts
  - Dental – no orthodontia unless medically necessary
- Ambulatory patient services
- Emergency Services
- Hospitalization
- Maternity Care
- Mental Health and Substance Abuse
- Prescription Drugs
- Rehabilitative and Habilitative Services
- Laboratory Services
- Preventative and Wellness Services – no cost sharing
A Comprehensive Pediatric Plan

• Preventive Services
  ▫ AAP recommended Well Child Visits
  ▫ Vision; hearing; and dental exams
  ▫ Immunizations; developmental screening

• Remedial Services
  ▫ Speech therapy; physical therapy; occupational therapy
  ▫ Hearing aids; eye glasses
More Comprehensive after 2007 CHIP Reauthorization

- Dental Coverage – A Strong Family Interest
  - No orthodontia coverage pre-CHIPRA

- A More Robust Plan – Post CHIPRA
  - Full dental with orthodontia
  - Mental health parity
  - Applied behavioral analysis for Autism Spectrum Disorder

- Birth to Three Services Added
What has made CHIP a successful coverage program for children?

What are some key lessons from CHIP about ways to support pediatric health and developmental needs?
CHIP: A Child-Focused Plan Working in Partnership to Promote Health

- CHIP = Kids
- Medicaid = Welfare
- Commercial Plans = To be determined

- Advancing child health through increased visibility and work with partnerships (State’s MCH program, AAP State Chapter, Department of Education, advocate groups, and charitable foundations)

- KidsFirst, a Kindergarten screening program in partnership with Department of Education

- WV AAP Chapter, KidInitiative to promote use of ASQ developmental screening tool, and BMI study

- Developmental screening policy alignment with Bright Futures and State’s MCH program

- Well Child Visit reimbursement for children ages 7-9 changes in partnership with primary care physicians
## Premiums and Selected Cost Sharing in 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>
</tr>
</thead>
<tbody>
<tr>
<td>≤150% FPL</td>
<td>None</td>
<td>$5*</td>
<td>None</td>
<td>$0–$5</td>
</tr>
<tr>
<td>&gt;150%-211% FPL</td>
<td>None</td>
<td>$15–$25*</td>
<td>$25</td>
<td>$–$10</td>
</tr>
<tr>
<td>&gt;200% FPL</td>
<td>$35/$71 max**</td>
<td>$20–$25*</td>
<td>$25</td>
<td>$0–$15</td>
</tr>
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*Waived when member has a designated medical home.  **There is a single child family rate vs. multi-child family rate.

Note: Family cost sharing cannot exceed 5% of family income.  Copayments on ER visits, some selected dental not shown.
## West Virginia Qualified Health Plans’ Premiums and Deductibles 2015

<table>
<thead>
<tr>
<th>Family Size and Income</th>
<th>Silver Plan Premiums</th>
<th>Silver Plan Family Deductibles</th>
<th>Bronze Plan Premiums</th>
<th>Bronze Plan Family Deductibles</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 (139% FPL)*</td>
<td>$397/month</td>
<td>$200</td>
<td>$287/month</td>
<td>$10,000</td>
</tr>
<tr>
<td>4 (300% FPL)</td>
<td>$859/month</td>
<td>$9,500</td>
<td>$749/month</td>
<td>$10,000</td>
</tr>
<tr>
<td>4 (No Subsidy)</td>
<td>$914/month</td>
<td>$9,500</td>
<td>$804/month</td>
<td>$10,000</td>
</tr>
</tbody>
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*On Silver Plans Only under 250% FPL Cost Sharing is also included, which lowers the deductible and total out of pocket maximum for the family.
West Virginia’s QHP Dental Coverage

- Covers up to under age 19
- Dental exams with no copayments
- Basic dental, major dental, and orthodontia coverage at 50%
# Prescription Drug Coverage under Silver and Bronze Plans

<table>
<thead>
<tr>
<th></th>
<th>Silver Plan Prescription Drug Coverage</th>
<th>Bronze Plan Prescription Drug Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Drugs</td>
<td>$8</td>
<td>40% Coinsurance after deductible</td>
</tr>
<tr>
<td>Preferred Brand Drugs</td>
<td>$45</td>
<td>40% Coinsurance after deductible</td>
</tr>
<tr>
<td>Non-Preferred Brand Drugs</td>
<td>$95</td>
<td>40% Coinsurance after deductible</td>
</tr>
<tr>
<td>Specialty Drugs</td>
<td>25% copay</td>
<td>40% Coinsurance after deductible</td>
</tr>
<tr>
<td>Prescription Drug Deductible</td>
<td>$0</td>
<td>Included in plan deductible of $10,000</td>
</tr>
</tbody>
</table>
For families that may transition from CHIP to the exchange or private market, what are some of the main affordability issues that need to be considered?
Monthly Premium Levels in Florida

- 2014/2015 Healthy Kids Chip Plan $153 (Includes Dental)
  - Full Pay Rate $153
  - Subsidized Members Pay $15 or $20

- 2015/2016 Healthy Kids Subsidized CHIP Plan Rate $155
  - Subsidized Members Pay $15 or $20

- 2015/2016 Healthy Kids Full Pay CHIP Plan Rate $299
  - 2015/2016 Healthy Kids Full Pay Silver Plan Rate $220

- 2015 Child Only Rates in Commercial Market
  - Platinum Plan $191-$263
  - Silver $155-$198

QHP Affordability for Children

- Eligible for premium subsidy (APTC) for all metal level QHPs to reduce premium amount if income is below 400% FPL

- Eligible for Cost Sharing Reductions (CSRs) for out-of-pocket costs if income is below 250% FPL and Silver metal level QHP selected:
  - 100%-150% FPL – CSR Level A (94% AV)
  - 150%-200% FPL – CSR Level B (87% AV)
  - 200%-250% FPL – CSR Level C (73% AV)

- Average QHP child premiums on kynect for individuals under age 20

<table>
<thead>
<tr>
<th>Metal Level</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catastrophic</td>
<td>$83.28</td>
</tr>
<tr>
<td>Bronze</td>
<td>$109.71</td>
</tr>
<tr>
<td>Silver</td>
<td>$137.58</td>
</tr>
<tr>
<td>Gold</td>
<td>$161.24</td>
</tr>
<tr>
<td>Platinum</td>
<td>$170.11</td>
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How might commercial products and provider networks in exchanges and the private market meet the needs of children moving from CHIP to these sources of coverage?
Kentucky Healthcare Coverage

• On kynect, 5 issuers currently offer QHPs – Anthem, Humana, Kentucky Health Cooperative, WellCare and CareSource.

• In 2016, 3 new issuers will offer QHP coverage on kynect - Aetna, United Healthcare of Kentucky and Bluegrass Family Health.

• QHPs on and off kynect have broader provider networks than Medicaid and CHIP but coverage is more limiting.

• Children with special needs could qualify for special Medicaid waivers.
Florida’s Market Without CHIP

Looking ahead, what will it take to transition children in CHIP to other coverage options—who needs to be at the table, and what needs to get done?
West Virginia CHIP in 2017

• No further federal funds, program is terminated as required by state statute that enacted it

• If funding ceases 10/1/2017 and Exchange plans are main option, can state provide for coverage for one additional quarter when families enroll in QHP plan (until 1/1/2018); or, is coverage lost for this quarter?

• Would states be able to use federal funds to pay for claims in the pipeline (IBNR-incurred but not reported)? For how long? 3 months? 6 months?

• Timing issue between rate setting, approval, and ending federal funds
The Children’s Coverage Landscape Post 2017

This?

Medicaid
(including lookalike MCO Bridge Plans)

or

This?

Medicaid
• Gold Standard
• EPSDT
• Coverage for disabled kids

ESI

CHIP

QHP’s

ESI Plans

QHP’s
Transition Lessons Learned

• Need a Long Timeline – 6+ Months

• Comprehensive Communication Plan
  • Families, Health Plans and Providers
  • Diverse Methods: Face-to-Face Meetings, Conference Calls, Letters, Newsletters, Email, Website

• Ensure Continuity of Care

• Engage and Educate the Provider Community
Conversion of CHIP Children to QHP

- Collaboration with State CHIP/Medicaid Agency and Exchange (State or Federal) to assure a smooth QHP enrollment transition:
  - Meetings and discussion between State CHIP/Medicaid Agency and Exchange
  - IT system changes to Medicaid/CHIP and Exchange eligibility systems
  - Amend State statutes/administrative regulations and submit State Plan Amendment (SPA) to CMCS
  - Identify and issue termination notice to CHIP Children
  - Allow 60 day special enrollment period for QHP enrollment
  - Educate and train eligibility workers, navigators, agents and call center staff on program change
  - Conduct outreach and education to public, advocacy groups, providers, issuers
Q&A Discussion

Use the chat box on the left of your screen to type in your question.
NASHP Resources on Children’s Coverage

- **NASHP State CHIP Fact Sheets:**

- **Advancing Children’s Coverage Toolkit:**

- **Health Care Reform and Children: Planning and Design Considerations for Policymakers:**

- **How CHIP Can Help Meet Child Specific Requirements and Needs in the Exchange: Considerations for Policymakers:**

- **Other NASHP children’s health resources available here:**