



**MACPAC**  
Medicaid and CHIP Payment and Access Commission



# **Comparison of Separate CHIP and QHP Affordability and Benefits**

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# Overview

- Latest research on affordability and covered benefits in CHIP and QHPs
- Affordability and use of cost sharing
- Covered benefits
- Pediatric dental coverage
- Policy questions

# Recent Analyses on CHIP and QHP Affordability and Benefits Coverage

The Wakely Group study compared all separate CHIP programs to QHPs

- Two income groups: 160% and 210% FPL
- Cost sharing and selected covered benefits

The National Alliance to Advance Adolescent Health study focused on five states

- Colorado, Georgia, Oregon, Texas, and West Virginia
- Compared benefits and out of pocket costs in CHIP and exchange child-only plans

# CHIP Plans Have Higher Actuarial Value (AV) than QHPs

## QHP and CHIP Actuarial Value, by Income

	160% FPL	210% FPL
QHP	87%	73%
CHIP Average	96.6%	94%
CHIP Range	88.7 - 100%	86.9 - 99.3%

Source: Bly et al. 2014.

# Estimated Average Annual Cost Sharing is Lower in CHIP than in QHPs

## QHP and CHIP Estimated Annual Cost Sharing, by Income

	160% FPL	210% FPL
QHP	\$446	\$926
CHIP Average	\$117	\$204
CHIP Range	\$0 - 389	\$0 - 448

Source: Bly et al. 2014.

# Out-of-Pocket Maximums are Lower in CHIP than QHPs

## Range of Maximum Out-of-Pocket Costs in CHIP and QHPs, by Income

	160% FPL		210% FPL	
	CHIP	QHP	CHIP	QHP
States using 5 percent out-of-pocket limit in CHIP	\$650 - 950*	\$1,000-2,250	\$1,395 - 1,995*	\$2,500 - 5,200
States using fixed dollar amount limit in CHIP	\$215 - 500	\$1,000-2,250	\$215 - 350	\$2,650 - 5,200
States with no out-of-pocket costs in CHIP	\$0 - 0	\$500 - 2,250	\$0 - 0	\$2,250 - 5,200

\* Net of premiums

Source: Bly et al. 2014.

# Most States Cover Core Services in CHIP and QHPs

All core services are covered in both programs with modest variation in how benefit limits are applied

Among the core services analyzed, both separate CHIP programs and QHPs were likely to limit durable medical equipment

# Variations Emerge in Coverage and Limits for Other Benefit Categories

Separate CHIP programs were more likely than QHPs to cover audiology exams and hearing aids

Separate CHIP programs were more likely than QHPs to cover general autism services and ABA therapy without benefit limits

Certain benefit categories (e.g., enabling services, non-emergency medical transportation, and over-the-counter medications) are more likely to be covered by separate CHIP programs than in QHPs



# Pediatric Dental Coverage

Pediatric dental coverage is a required CHIP benefit, but is not often embedded in QHPs

CHIP programs are more likely to provide dental coverage without cost sharing requirements

- Stand-alone plans may establish separate cost-sharing requirements and a separate out-of-pocket maximum (\$350/yr for families with 1 child, \$700/yr for families with 2 or more children)

# Policy Question

What are possible mechanisms for addressing affordability or coverage of benefits for children in exchanges?

- Increased CSRs
- Wrap around coverage for cost sharing or benefits
- Definition of “pediatric services”

# Policy Question

Should policies be designed to address affordability and coverage for all children or only some? If some, by what criteria?

- Income
- Availability of financial subsidies
- Health status