



Approaches for Children's Coverage in a New Policy Context



Medicaid and CHIP Payment and Access Commission
Joanne Jee and Chris Peterson

Overview of Presentation

- MACPAC's work to date and the current policy context for children's coverage
- Key characteristics of low- and moderate-income children
- Broad approaches to children's coverage
- Guidance from Commissioners and next steps

MACPAC's Work to Date and the Current Policy Context

MACPAC's Work to Date

Focused on coverage for children who would lose separate CHIP if funding were not renewed

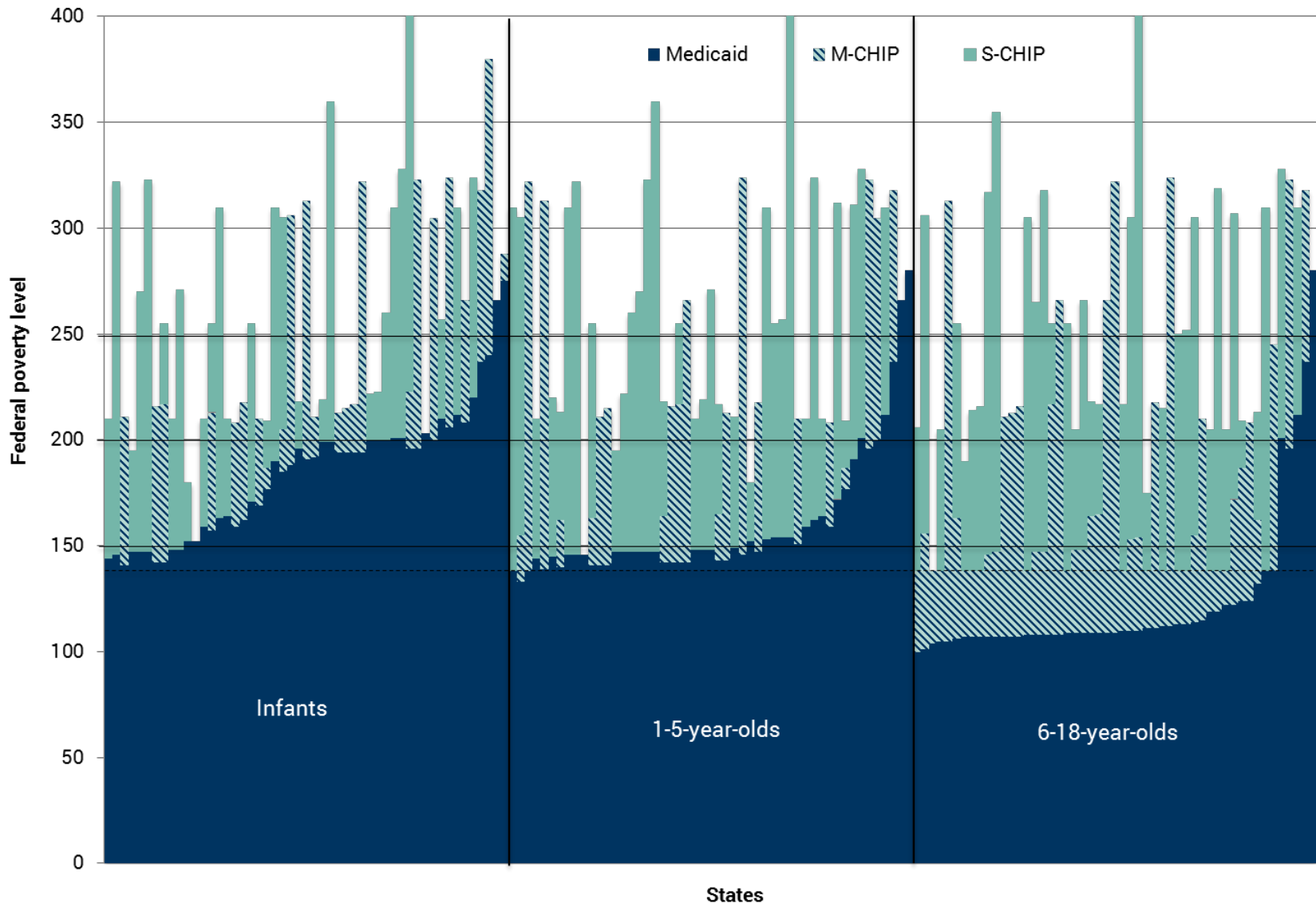
- Comparison of premiums and out-of-pocket cost sharing in CHIP and exchange plans
- Comparison of covered benefits in CHIP and exchange plans
- Pediatric provider network adequacy
- Alternate sources of coverage

Assessing Coverage for a Broader Group of Children

The current policy context points to addressing affordability and adequacy of coverage low- and moderate-income children

- CHIP funding renewed through FY 2017
- Maintenance of effort expires after FY 2019
- Differences and abrupt changes between children's coverage sources

States Vary Substantially in Eligibility Levels

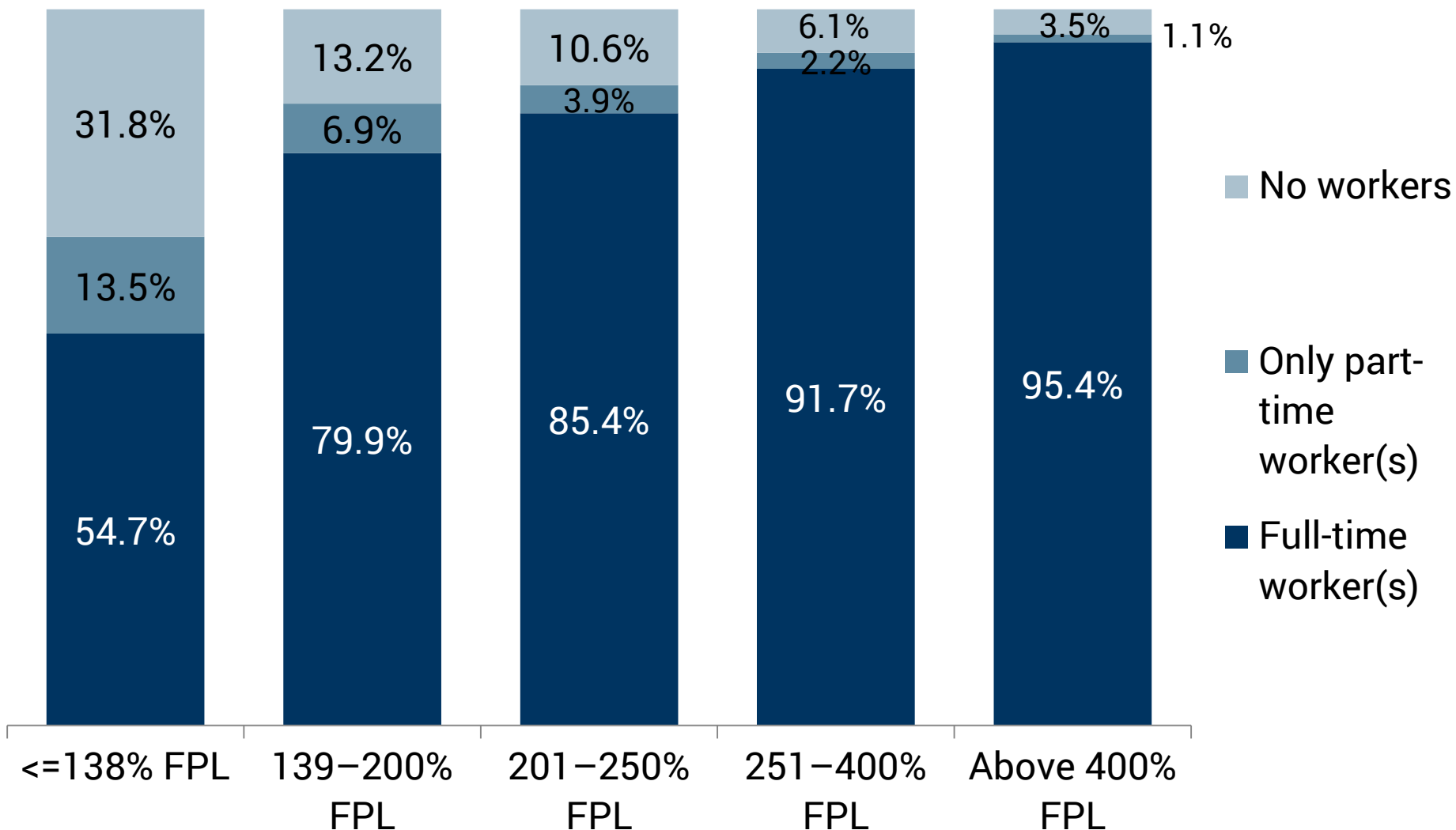


Policy Questions

- What policies should be in place before 2017 to assure adequate and affordable coverage?
 - Benefits
 - Affordability
 - Children with higher than average health care needs
 - Transitions
- Under what circumstances should CHIP funding be renewed after 2017?

Key Characteristics of Children with Low and Moderate Income

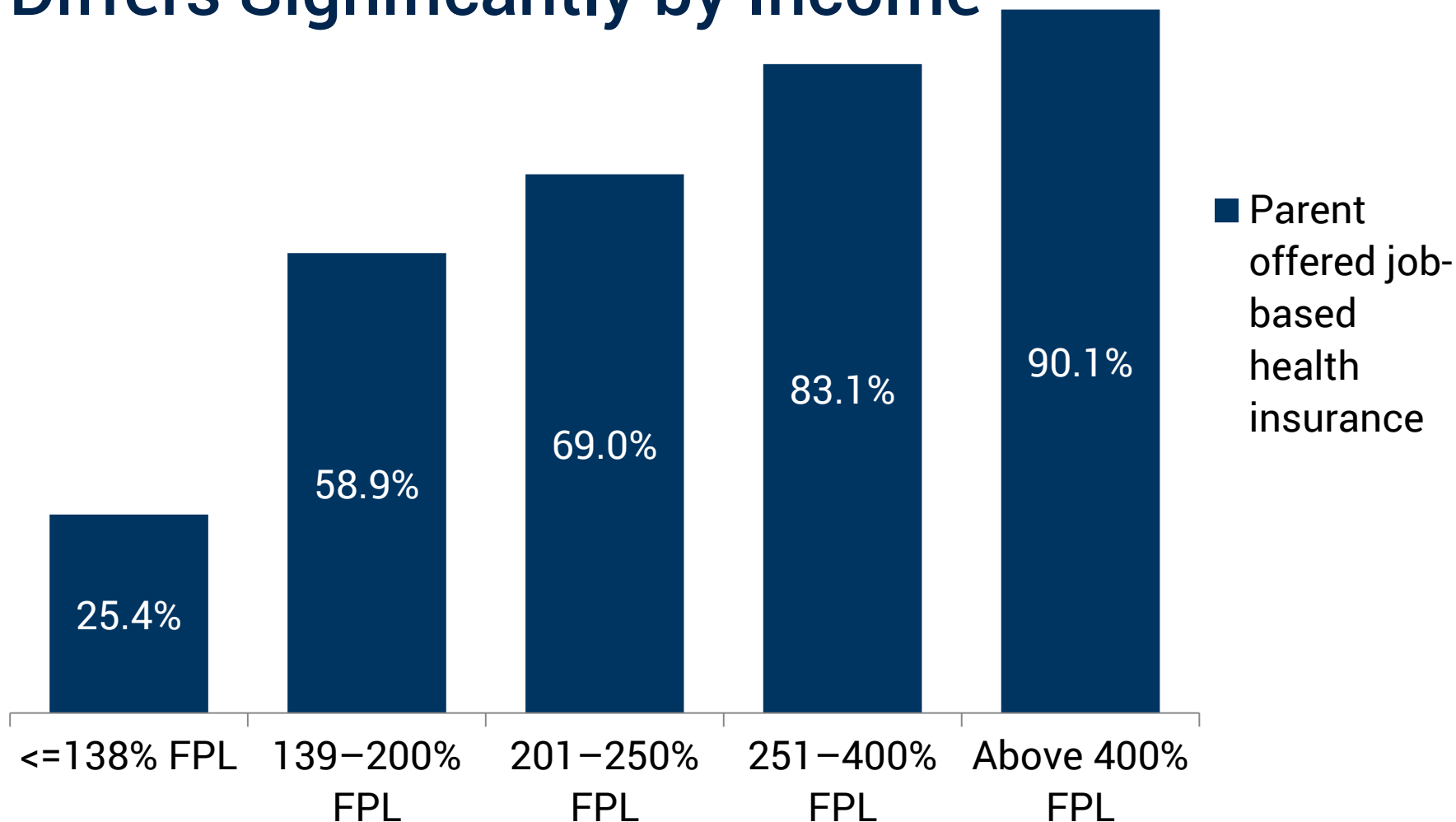
Most Low-Income Children Have a Working Parent



Note: FPL is federal poverty level, which is currently \$20,090 for a family of three. All differences from 139–200 percent FPL are significant at the 0.05 level except for part-time workers among children 201–250 percent FPL.

Source: MACPAC analysis of children in 2013 National Health Interview Survey (NHIS).

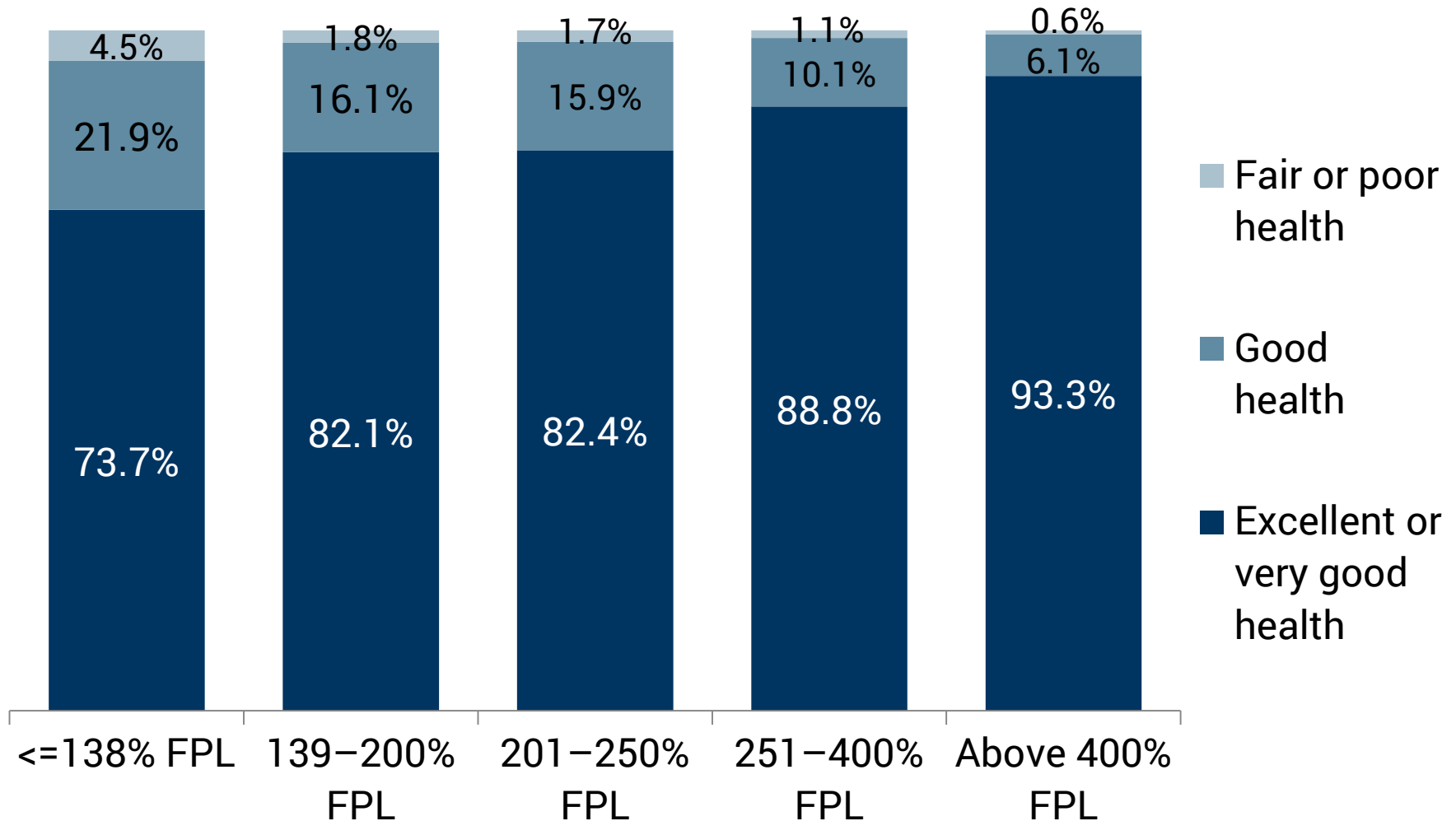
Children's Access to Job-Based Coverage Differs Significantly by Income



Note: FPL is federal poverty level, which is currently \$20,090 for a family of three. All differences from 139–200 percent FPL are significant at the 0.05 level.

Source: MACPAC analysis of children in 2013 National Health Interview Survey (NHIS).

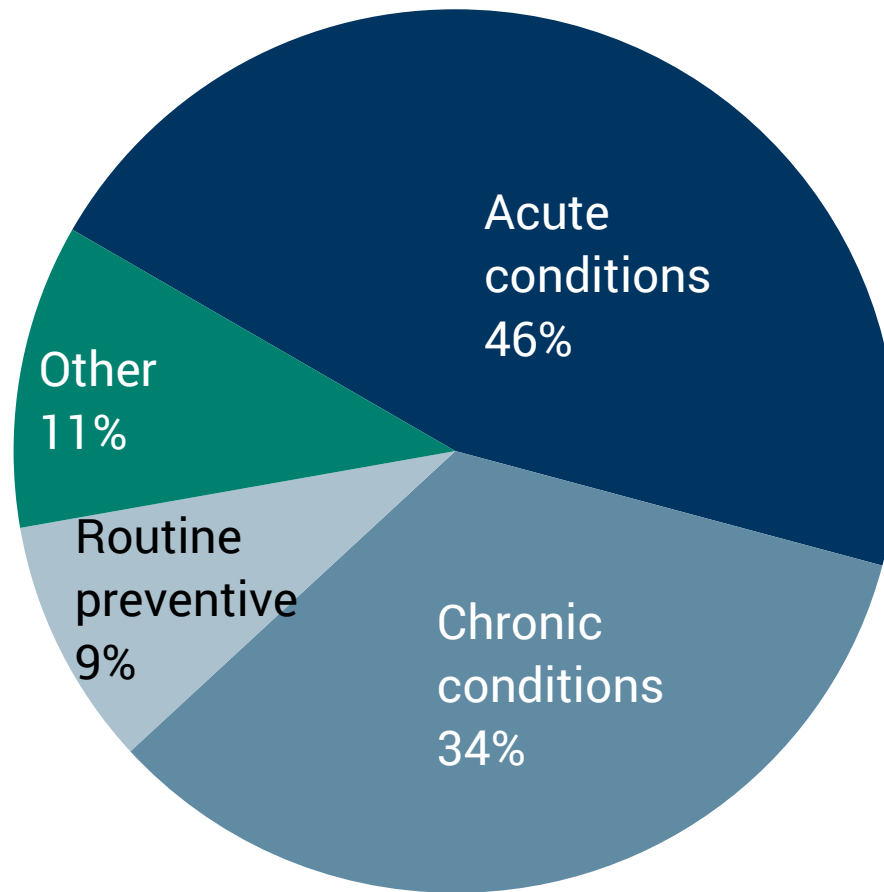
Health Status Similar Among Children with Moderate Income



Note: FPL is federal poverty level, which is currently \$20,090 for a family of three. Differences from 139–200 percent FPL are significant at the 0.05 level except for 201–250 percent FPL, and fair/poor health for 251–400 percent FPL.

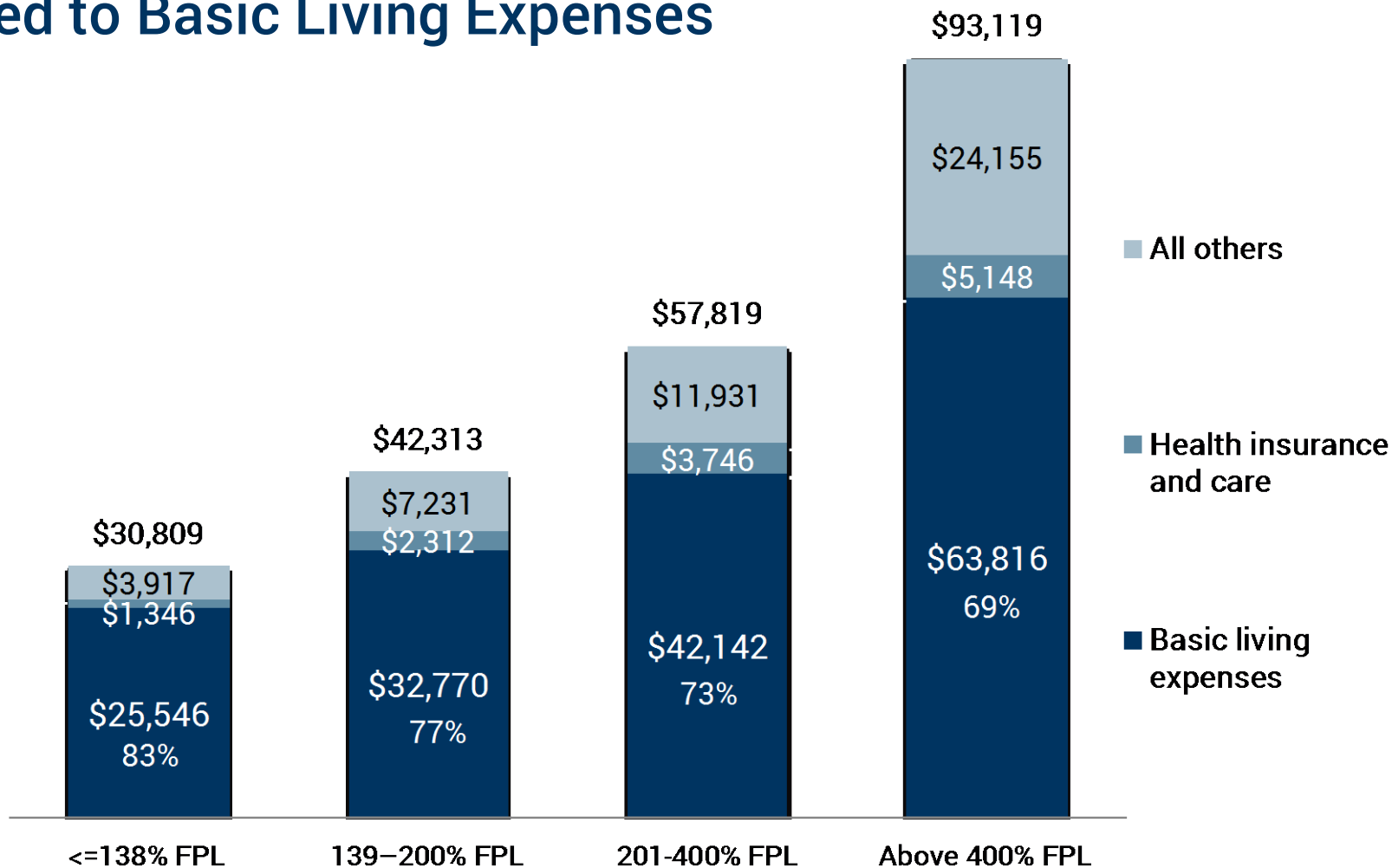
Source: MACPAC analysis of children in 2013 National Health Interview Survey (NHIS).

Acute and Chronic Conditions Account for Most Spending among Children 139–200% FPL



Note: FPL is federal poverty level, which is currently \$20,090 for a family of three. Other is spending without reported conditions includes care for which procedures, rather than diagnoses, were reported; payments for other medical expenses, such as supplies, equipment, eyeglasses, and ambulance services could not be linked to specific conditions.
Source: AHRQ analysis for MACPAC of 2010–2012 Medical Expenditure Panel Survey (MEPS) data, age 0-17, excluding children receiving Supplemental Security Income.

For Lower-Income Households, Larger Share of Spending Devoted to Basic Living Expenses



Note: FPL is federal poverty level, which is currently \$20,090 for a family of three. Income is based on pre-tax household income. Basic living expenses consist of housing, transportation, food, clothing, and education. Expenditures exclude government payments on behalf of households for housing, food, Medicaid, etc. Children are age 0-17.

Source: Kaiser Family Foundation analysis for MACPAC of 2013 Consumer Expenditure Survey among households with children.

Broad Approaches

Approaches to Coverage for Low- and Moderate-Income Children

- Enhance exchange coverage
- Expand the minimum Medicaid eligibility level for children
- Replace CHIP with a new bridge program
- Extend CHIP permanently
- Retain current law with no changes

Considerations for Assessing Approaches

- Number of children covered or uninsured
- Adequacy of covered benefits
- Affordability of coverage and care
- State and federal operational issues
- Financing structure
- State flexibility

The work ahead

Considerations	Approaches				
	1	2	3	4	5
Coverage					
Benefits					
Affordability					
Operational issues					
Financing					
State flexibility					
Others					

Guidance from Commissioners

September 17, 2015

Commissioners' Input

- Approaches
 - Should other approaches be considered?
 - Should any not be considered?
 - Are there any hybrids of the approaches to consider?
- Considerations for assessing approaches
 - Should any factors take priority?
 - Should other factors be considered?



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