



MACPAC's Work on Children's Coverage and Next Steps



Medicaid and CHIP Payment and Access Commission

Chris Peterson and Joanne Jee

Overview

- Evidence and recommendations to date
- Moving forward in 2016
- Discussion

Evidence and recommendations to date on children's coverage

MACPAC recommendations to date on children's coverage (March 2014)

- Eliminate CHIP waiting periods
 - Promotes continuity of coverage
 - Waiting periods lead to uninsurance, have not shown reductions in crowd-out, and are inconsistent with Medicaid and exchange eligibility policies
- Eliminate CHIP premiums below 150% FPL, which is \$36,375 for a family of 4
 - While public premiums above 150% FPL reduce crowd-out with little increase in uninsurance, such premiums increased uninsurance below 150% FPL
 - Aligns with Medicaid policy

MACPAC recommendations to date on children's coverage (June 2014)

- Extend federal CHIP funding for two additional years, through FY 2017
 - Enable two additional years of transition
 - Provide time to develop and implement specific changes to ensure:
 - Adequate, affordable coverage
 - Equitable treatment of states
 - Appropriate use of public dollars
 - Smooth transitions across sources of coverage
- If more time was needed to ensure reforms are in place, further extending the transition should be considered

Effects on coverage and uninsurance

- Without an extension of CHIP funding, 3.7 million children would have lost separate CHIP coverage in 2016
- Their projected sources of coverage without separate CHIP:
 - 1.1 million uninsured
 - 1.2 million in employer-sponsored coverage
 - 1.4 million in exchange coverage
- Children in Medicaid-expansion CHIP would not lose coverage because of the maintenance of effort in effect through FY 2019

Evidence on affordability

- Families with children losing separate CHIP but with access to employer-sponsored insurance would face additional premiums on average of \$3,751 per year (9.1% of family income)
- Average out-of-pocket spending for exchange coverage would also be significantly higher than CHIP
 - Additional amount especially high for children with exceptionally high health care needs
 - Decisions to enroll are affected by the cost of coverage relative to other expenses

Additional evidence on affordability

- In 36 states with separate CHIP, some children (1–17%, depending on the state and income level) would face out-of-pocket spending for exchange coverage exceeding 5% of income
- Children facing the highest spending in exchange coverage do not all have predictable, chronic health care needs
- Children in CHIP would also face higher spending in employer-sponsored insurance
- Children above 200% FPL would face less spending in employer-sponsored insurance than exchange coverage

Evidence on adequacy of benefits

- Pediatric dental services
 - Covered in Medicaid and CHIP
 - 35.7% of exchange plans embed pediatric dental benefits
 - Dental benefits are offered as a stand alone insurance product in most exchanges, requiring separate premiums
- Audiology exams and hearing aids
 - Covered in most Medicaid and CHIP programs
 - Among exchange benchmark packages, 37% cover audiology exams and 54% cover hearing aids

Other evidence

- Provider networks
 - Little research on extent of network differences among Medicaid, CHIP, and exchange plans, or the effects of any differences on access to care
- Transitions
 - States implemented strategies to facilitate smooth transitions for stairstep children, but still experienced challenges
 - Stakeholders generally describe the transition as having gone smoothly

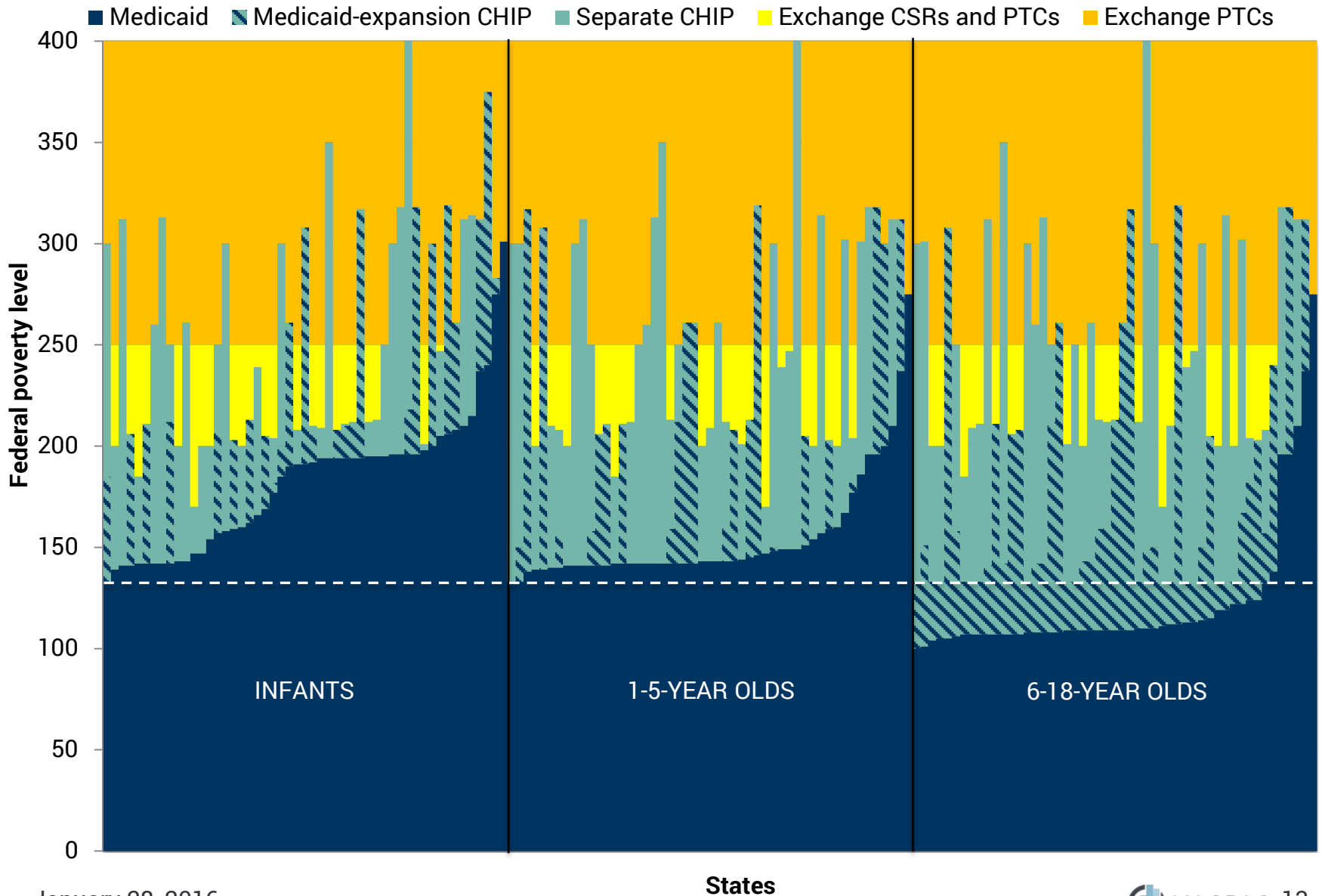
Other evidence (continued)

- Medicaid-expansion CHIP
 - Maintenance of effort in effect through FY 2019
 - Without extension of CHIP funding, states would receive the regular Medicaid matching rate
 - Beginning in FY20, states may roll back Medicaid coverage
 - If all states roll back eligibility to the maximum extent possible, of the 2.3 million children who would lose Medicaid-expansion CHIP, 0.7 million would become uninsured

Moving forward in 2016

January 28, 2016

Medicaid and CHIP eligibility for children by state



Broad options for coverage of low- and moderate-income children

- Maintain current law
- Enhance exchange coverage
- Expand the mandatory Medicaid eligibility level for children
- Replace CHIP with a new bridge plan
- Extend CHIP

Next steps in 2016

Winter/ Spring	Consider options for coverage of low- and moderate- income children going forward
Fall	Refine preferred option, finalize rationale, and obtain cost estimate
December	Vote on final package of recommendations



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