



# Children's Coverage Recommendations: Draft Specifications

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Medicaid and CHIP Payment and Access Commission  
Joanne Jee

# Agenda

- Review draft recommendation elements and specifications
  - Extend CHIP funding
  - Permit optional, CHIP-funded exchange subsidies
  - Broaden state innovation waivers
  - Extend expiring provisions
- Next steps

# Extend CHIP

- **Duration:** Extend CHIP funding for five years, through fiscal year (FY) 2022
- **Maintenance of effort (MOE):** Permit MOE to expire after FY 2019 (current law)
- **CHIP matching rate:**
  - Phase out the 23 percentage point differential in the federal CHIP matching rate by FY 2020
  - Provide a 5 percentage point differential in the federal CHIP matching rate beginning in FY 2020 for states with CHIP eligibility at or above 250% of the federal poverty level (FPL)

# Optional, CHIP-financed exchange subsidies

- **Subsidies:** Allows use of CHIP funds to provide CHIP-eligible children with subsidies for purchasing exchange coverage
  - ➔ Decision point on federal exchange subsidies
- **Eligibility:** State determined, up to state CHIP income eligibility limits
- **Affordability:**
  - CHIP limit on out-of-pocket spending applies
  - Actuarial value of exchange coverage substantially similar to state's CHIP coverage

# Optional, CHIP-financed exchange subsidies (continued)

- **Benefits:** Benefits must meet state CHIP coverage levels, including oral health services
- **Effect on cost and coverage:**
  - State approach must promote efficiency and coverage
  - Public notice and comment prior to submitting state plan amendment
- **Federal evaluation:** Secretarial assessment of the impact on coverage, access to care, affordability, and network adequacy

# Optional, CHIP-financed exchange subsidies (continued)

Decision point: Should CHIP-eligible children receive CHIP-financed subsidies

- in addition to federal exchange subsidies OR
- without federal exchange subsidies?

# Broaden state innovation waivers

- **New waiver option:** Directs Secretary to establish waiver program to integrate Medicaid, CHIP, and exchange coverage for children, and make transitions more seamless
  - Secretary would establish state participation criteria and a waiver template
  - States must prevent losses in coverage rates of eligible children
  - Medicaid rules apply for children at or below 133% FPL

# Broaden state innovation waivers (continued)

- **Federal funding:** Medicaid, CHIP, and exchange funds that would have been spent covering children
- **Federal evaluation:** Secretarial assessment of the impact on coverage, access to care, affordability, and network adequacy



# Expiring provisions

Extend through FY 2022:

- Express Lane Eligibility authority for children in Medicaid and CHIP
- Funding for outreach and enrollment grants
- Funding for pediatric quality measures
- Funding for childhood obesity demonstration projects

# Next steps

- Staff to prepare draft recommendation language based on today's discussion
- October: Commission review of draft recommendation language
- December: Commission vote
- Publish recommendations with accompanying rationale and other text in advance of March report



# Children's Coverage Recommendation Package: Draft Specifications



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