



Overview of CHIP Analysis Plan and Key Facts about CHIP Enrollees

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Agenda

- Recent Commission work on CHIP and children's coverage
- Current status of CHIP
- Key policy questions going forward
- Overview of CHIP analysis plan for 2014-2015
- Snapshot of CHIP and key enrollee characteristics

Recent Commission Work

- March report focused on improving current CHIP
 - Eliminate CHIP waiting periods
 - Eliminate CHIP premiums for families with incomes less than 150% FPL
- June report focused on longer-term future of CHIP
 - Extend federal CHIP funding for a transition period of 2 additional years during which time the key issues regarding the affordability and adequacy of children's coverage can be addressed.

Current Status of CHIP

- Final CHIP allotments distributed to states beginning October 1, 2014
- States will begin exhausting their CHIP balances October 1, 2015
- Congressional debate
 - S. 2461 introduced by Senator Rockefeller
 - H.R. 5364 introduced by Representative Pallone

Key Policy Questions

- What sources of coverage are CHIP enrollees eligible for when CHIP funding ends? Will they enroll?
 - Will some CHIP enrollees be ineligible for any other source of coverage?
 - What policy options would minimize uninsurance for current CHIP enrollees?
- What is the CHIP enrollee experience likely to be in terms of benefits, affordability of premiums and cost sharing, and network adequacy?
 - Are there sufficient consumer protections?
 - What policy options would smooth the transition?

Key Policy Questions (cont'd)

- What is the impact on state and federal budgets of the exhaustion of CHIP funding?
 - What policy options exist to smooth out uneven budget effects across states?
- Is there a need for ongoing coverage, coverage of certain benefits, or additional assistance with premiums or cost sharing in limited circumstances?
 - What are the design elements of such an approach?

Overview of CHIP Analysis Plan

- Builds on prior Commission work
- Impact on enrollees of coverage transitions
 - eligibility
 - benefits
 - affordability
 - provider networks
 - consumer protections
- State and federal financial implications
- Options for smoothing transitions

Overview of CHIP Analysis Plan (cont'd)

- Today's agenda
 - Eligibility and enrollee characteristics
 - State financing issues
 - Lessons on CHIP transitions from 3 states
 - Consumer protections
- The work ahead
 - Analysis of benefits and affordability issues in exchange and employer-sponsored coverage
 - Modeling enrollment and uninsurance levels post-CHIP
 - Pediatric network adequacy and design

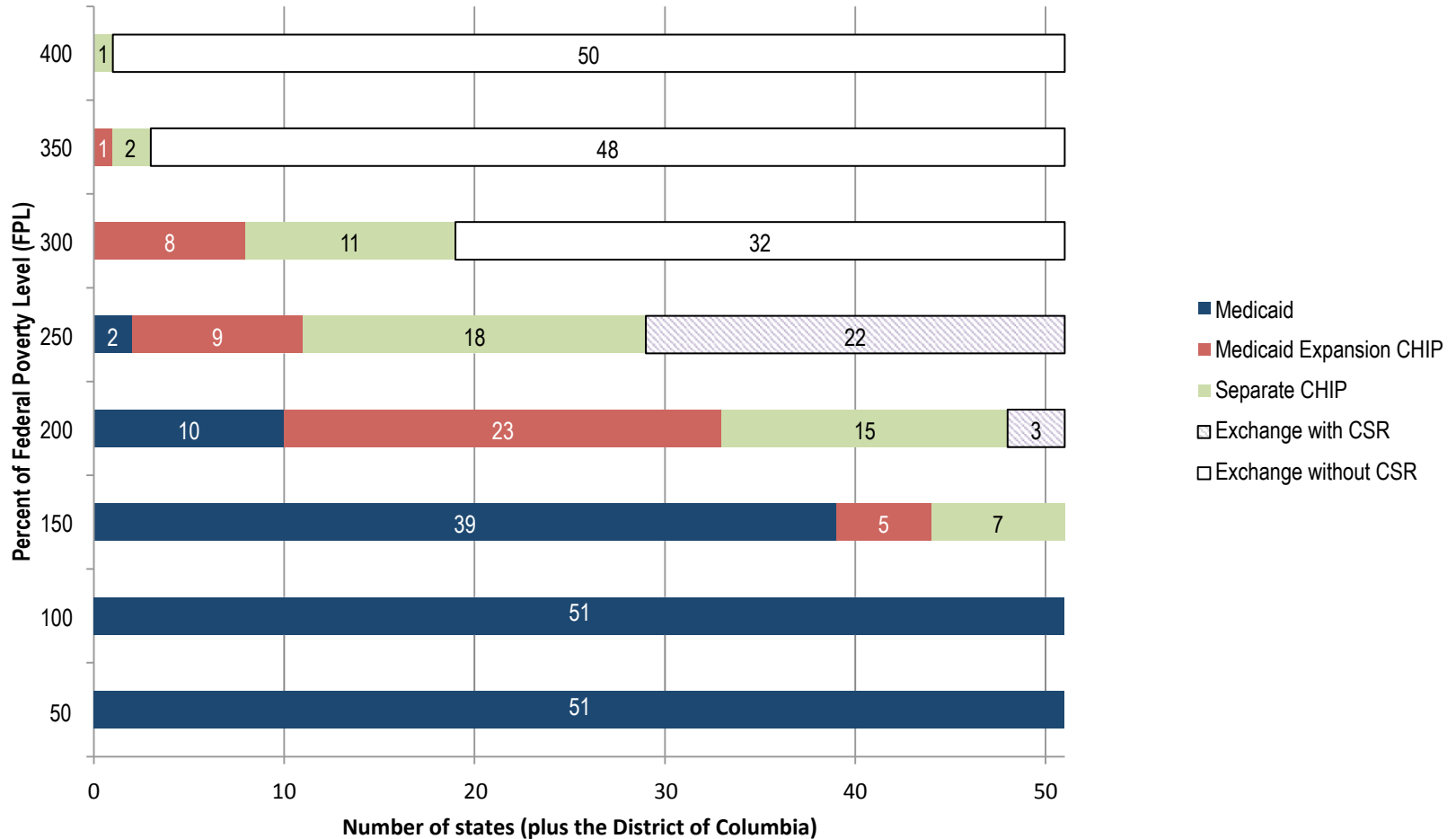
Snapshot of CHIP and Key Enrollee Characteristics

- In considering transitions, need to know who current CHIP enrollees are and what they need
 - Who is eligible for CHIP and how many are enrolled?
 - What is their family income and make-up?
 - What is their health status?
 - What is their need for health care and access to services?
- Understanding the population is helpful in:
 - Exploring policy options around benefits and affordability that better respond to enrollee circumstances
 - Crafting consumer protections during the transition to new coverage sources if necessary
 - Assessing the impact of policy options on enrollees, particularly those with special health care needs

Key Facts about CHIP

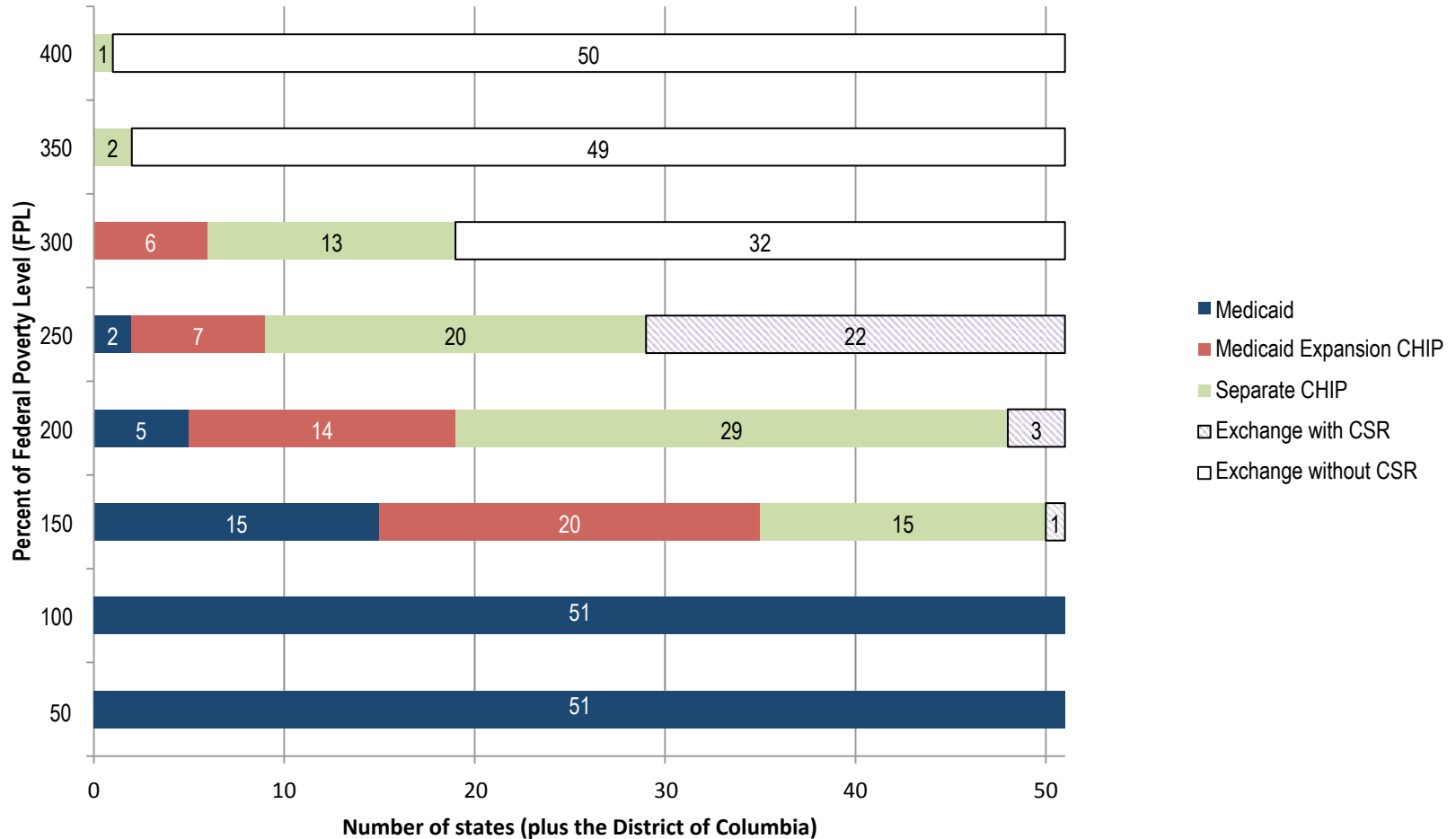
- Eligibility and design vary across states:
 - Expansion of Medicaid (8 states, 5 territories)
 - Separate CHIP (14 states)
 - Combination (29 states)
 - Upper-income eligibility: 175% FPL (ND) to 405% FPL (NY)
- Enrollment (FY 2013):
 - 8.1 million children
 - 88.8% ≤200 percent FPL; 8.6% between 201-250 percent FPL; and 2.6% above 250 percent FPL
- Financing
 - Enhanced federal matching rate (E-FMAP) ranges from 65% in 15 states to 81% in Mississippi
 - FY 2013 spending = \$13 billion (70%/30% federal/state)

Medicaid and CHIP Eligibility Levels for Infants (Under Age 1) by Number of States



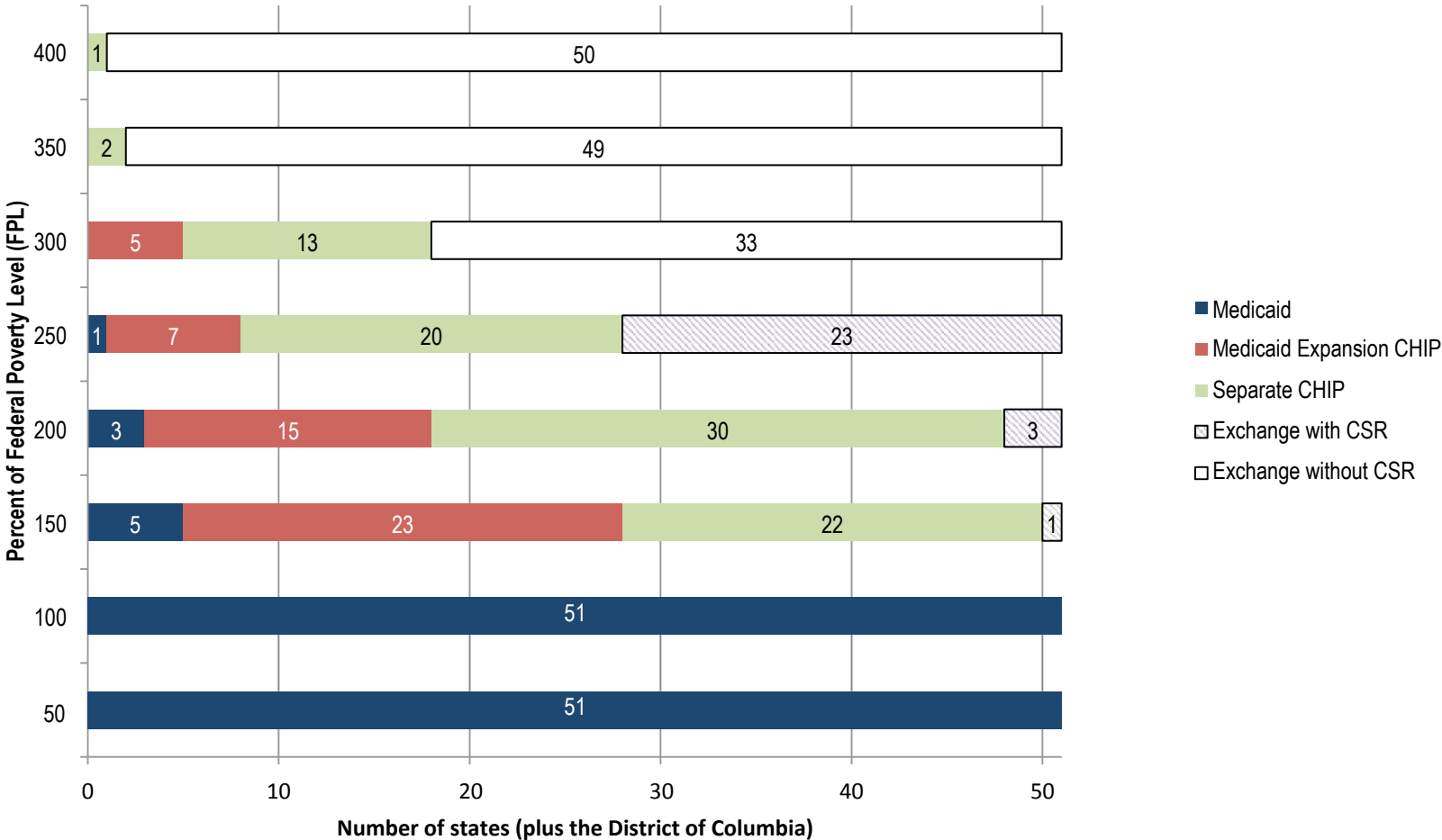
Source: Table 9 of MACStats, March 2014 MACPAC report.

Medicaid and CHIP Eligibility Levels for 1- to 5-year-olds by Number of States



Source: Table 9 of MACStats, March 2014 MACPAC report.

Medicaid and CHIP Eligibility Levels for 6- to 18-year-olds by Number of States



Source: Table 9 of MACStats, March 2014 MACPAC report.

Probable CHIP Children: Higher Income than Medicaid, More Likely Two Parents, Parent Employed

Probable CHIP children — that is, children in the National Survey of Children's Health likely to be enrolled in separate CHIP — are, on average:

- Older, higher income, and more likely to live in a two-parent family and in a family with an employed parent, compared to probable Medicaid children.
- Similar in age but are lower income and less likely to live in a two-parent family and with an employed parent, compared to children with private insurance.

Probable CHIP Children: Special Health Care Needs Similar to Medicaid Children

- 24% of probable CHIP children are reported to be children with special health care needs (based on five survey questions on children's use of medication and their need for care and therapies).
 - Difference from probable Medicaid children not significant.
 - 19% of privately insured children and 12% of uninsured children have special health care needs.
- Prevalence of most chronic conditions among probable CHIP children is:
 - Not significantly different from probable Medicaid children.
 - Significantly higher than privately insured and uninsured children.

Probable CHIP Children Use More Care than Medicaid Children but Less than Privately Insured

For the following services, probable CHIP children used more care than probable Medicaid children but less than privately insured children, on average in the past 12 months:

- Medical visit
- Preventive medical visit
- Specialist visit
- Any dental care

Probable CHIP Children: Unmet Need Similar to Medicaid

- Probable CHIP children reported unmet need for medical care (5%) and dental care (3%) at levels comparable to probable Medicaid children, but higher than privately insured children (2% for both medical and dental care).
- However, families of probable CHIP children report similar levels of problems paying medical bills as privately insured children (11%) compared to probable Medicaid (9%) and uninsured children (24%).

Differences in health status, use, and access may be driven more by family income than source of coverage.