

# **An Evidence-Based Framework for SCHIP Reauthorization**

**Margo Rosenbach, Ph.D.**  
**Vice President**  
**Mathematica Policy Research, Inc.**  
**Cambridge, Massachusetts**

**MATHEMATICA**  
*Policy Research, Inc.*

## **Objective**

---

- **Contribute to the debate on SCHIP reauthorization with evidence from national and state evaluations**

## A Wealth of Evidence

---

- Federal evaluations
  - CMS, ASPE
- Foundation initiatives
  - New Federalism
  - Covering Kids and Families
- Federal-foundation partnerships
  - CHIRI research cosponsored by AHRQ, HRSA, and Packard Foundation
- State evaluations
- Other studies

3

MATHEMATICA  
Policy Research, Inc.

## The Case for SCHIP

4

MATHEMATICA  
Policy Research, Inc.

## Tangible Evidence on Progress in Reducing Children's Uninsurance

---

- Coverage of near poor children (100 to 200 percent of poverty) increased significantly after implementation of SCHIP
- In the absence of SCHIP, children's coverage might have declined
- SCHIP is an integral part of the continuum of children's health insurance coverage
  - Bridge between Medicaid and private coverage during economic boom and downturn

5

MATHEMATICA  
Policy Research, Inc.

## Mounting Evidence on Access Improvements

---

- Many studies suggest that access to care improved for children enrolled in SCHIP
- Effects stronger for children who were uninsured longer before enrolling in SCHIP
- Variations among states exist
  - Difficult to assess due to lack of consistent data and variations in program characteristics

6

MATHEMATICA  
Policy Research, Inc.

## **SCHIP Is More Important Than Ever**

---

- Secular decline in private insurance
- Focus on reducing disparities
- Concerns about chronic disease epidemic (asthma, diabetes, obesity)
- Broader awareness of children's mental health needs

7

**MATHEMATICA**  
Policy Research, Inc.

## **Features of SCHIP: Lessons and Implications**

8

**MATHEMATICA**  
Policy Research, Inc.

## **Flexibility Created Opportunity**

---

- **Mix of Medicaid and private models tailored to local market environment**
- **State variation in eligibility thresholds, benefits, delivery system, and other features**
- **Eliminating choice of models and features would restrict state flexibility and may reduce commitment to SCHIP**

9

**MATHEMATICA**  
Policy Research, Inc.

## **Enrollment Caps Preserved Coverage**

---

- **Enrollment freeze imposed in seven states**
- **Many lessons about enrollment freezes**
  - **Waiting lists raised equity issues for states**
  - **Focus shifted to “inreach” and renewal**
  - **Open enrollment revealed pent-up demand**
- **Nonentitlement nature of separate plans an asset in stimulating coverage expansions**

10

**MATHEMATICA**  
Policy Research, Inc.

## Gaps in Eligibility Remain

---

- **SCHIP excludes coverage of children:**
  - Who are in institutions for mental diseases (IMDs) or incarcerated
  - Who are between the ages of 19 and 21
  - Whose parents are eligible for coverage under a state public employees' plan
  - Who are undocumented
- **Exclusions place limits on universal coverage of children**

11

**MATHEMATICA**  
Policy Research, Inc.

## Coverage of Adults Revisited

---

- **Concerns about equity of covering childless adults in some states when other states do not have sufficient funding to cover uninsured children**
- **Mixed opinion about covering parents**
  - May expand children's coverage and may improve children's use of preventive care

12

**MATHEMATICA**  
Policy Research, Inc.

## Spillover Onto Medicaid

---

- **Several sources of Medicaid spillover**
  - SCHIP outreach identified children who were eligible for Medicaid
  - “Screen and enroll” provision required coordination between SCHIP and Medicaid
  - Medicaid enrollment and renewal procedures streamlined following SCHIP
- **Public coverage of children has returned to pre-welfare-reform levels; coverage of adults has not**
- **Lack of coordination with Medicaid at renewal remains an issue in some states**

13

MATHEMATICA  
Policy Research, Inc.

## Benefits More Generous Than Most Private Plans

---

- **Many states enhanced the benchmark benefit package to meet children’s health needs (dental, vision, therapies)**
- **In some states, benefits fluctuated based on available funding**
  - Trade-off to cover more kids vs. more services
- **Standardizing SCHIP benefit package could make it harder to tailor to local market**

14

MATHEMATICA  
Policy Research, Inc.

## **Crowd-out Largely Averted Under SCHIP**

---

- Little evidence that families dropped private coverage to enroll children in SCHIP
- However, some children who enrolled in SCHIP may have access to private coverage
- Could aim to make it easier to subsidize coverage through ESI when possible, using direct SCHIP coverage as a last resort

15

**MATHEMATICA**  
Policy Research, Inc.

## **Coordination with Employer- Sponsored Insurance Impeded**

---

- Title XXI created barriers to implementing premium assistance (benefit structure, employer cost-sharing, cost-effectiveness)
- HIFA eased restrictions on premium assistance programs
- Reauthorization could incorporate flexibility from HIFA to facilitate coordination with ESI

16

**MATHEMATICA**  
Policy Research, Inc.

## Performance Measurement Needs Continued Improvement

---

- OMB and OIG noted deficiencies in performance measurement under SCHIP
- States making progress in reporting, but inconsistencies remain
- Lack of individual-level enrollment data and claim-level utilization data a barrier to improved reporting under SCHIP

17

MATHEMATICA  
Policy Research, Inc.

## Allotment Formula Needs Technical Adjustments

---

- Common perspective that SCHIP allotment formula is flawed and data are imperfect
- SCHIP allotment does not account for progress in covering kids under SCHIP
- Expert input can help assess formula options and consequences

18

MATHEMATICA  
Policy Research, Inc.

---

## Implications for SCHIP Reauthorization

19

MATHEMATICA  
Policy Research, Inc.

---

## Recap on Reauthorization Issues

- Preserve flexibility of Medicaid expansion and separate plan approaches
- Retain nonentitlement feature of separate plans
- Consider options to extend SCHIP to excluded categories of children
- Reconsider whether to use Title XXI funds to cover uninsured parents and childless adults
- Provide more flexibility to states in developing ESI premium assistance components

20

MATHEMATICA  
Policy Research, Inc.

## Recap (cont.)

---

- Enhance coordination with Medicaid, especially at renewal
- Resist temptation to standardize benefit package
- Strengthen performance monitoring capabilities through submission of individual- and claim-level data, similar to Medicaid
- Revise allotment formula to take into account state need