Georgetown University
Health Policy Institute
CENTER FOR CHILDREN
AND FAMILIES

NATIONAL ACADEMY
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Benefits and Cost Sharing in Separate CHIP Programs: Policy Implications in the Context of the ACA

Wednesday, May 7, 2014

1:30-2:30 p.m. ET

Call in to listen:
1-800-748-2715

Or listen via web

Agenda

1:30-1:35 p.m.	**Introduction** • Joanne Jee, Program Director, National Academy for State Health Policy
1:35-1:50 p.m.	**Overview of Findings on Benefits and Cost Sharing in Separate CHIP Programs** • Anita Cardwell, Policy Specialist, National Academy for State Health Policy • Joe Touschner, Senior Health Policy Analyst, Georgetown University Center for Children and Families
1:50-2:05 p.m.	**Discussion of Policy Implications** • Joan Alker, Executive Director, Georgetown University Center for Children and Families • Sharon Carte, Executive Director, West Virginia Children's Health Insurance Program; Member of the Medicaid and CHIP Payment and Access Commission (MACPAC) • Catherine Hess, Managing Director for Coverage and Access, National Academy for State Health Policy
2:05-2:25 p.m.	**Question and Answer** *Use the chat feature to submit your questions
2:25-2:30 p.m.	**Wrap-up**

Overview of Findings on Benefits and Cost Sharing in Separate CHIP Programs

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Policy Specialist
National Academy for State Health Policy

Joe Touschner
Senior Health Policy Analyst
Georgetown University Center for Children and Families

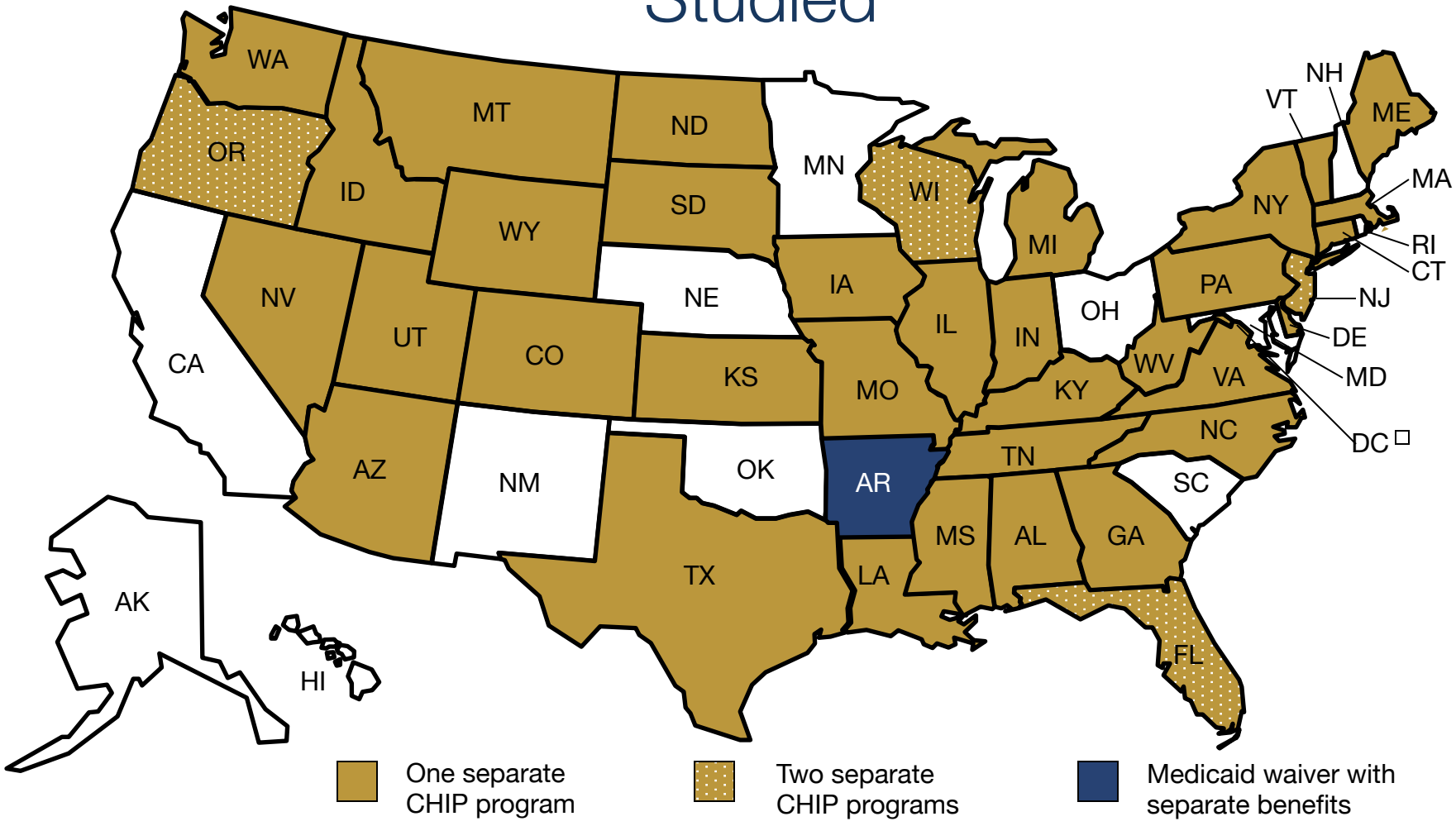
Project Scope & Goals

- Joint project of NASHP and the Georgetown University Center for Children and Families
  - Supported by the David and Lucile Packard Foundation
- Goals:
  - Examine benefits and cost sharing in separate CHIP programs
  - Inform policymakers and stakeholders considering the role of CHIP in the context of the ACA

Method

- Examined benefits and cost sharing in 2013 for 42 separate CHIP programs in 38 states
- State plans used as primary data source; supplemented with information from other source documents provided by the states
- Verified analysis and additional details gathered through communication with state officials

42 Separate CHIP and Waiver Programs Studied



Highlights of Key Findings

- Benefits ranged from comprehensive coverage based on Medicaid to somewhat more limited packages modeled after commercial benchmarks
- Coverage for basic medical services was robust
  - While limits were common for certain benefits, only a few services were frequently not covered at all
- Low or no premiums and limited or no cost sharing for covered benefits

Designing Separate CHIP Benefits

- Separate CHIP benchmark selections:

Secretary-Approved Coverage	25
Benchmark-Equivalent	9
Largest HMO	3
Existing State-Based Coverage	3
FEHBP-Equivalent	1
State Employee Coverage	1

Designing Separate CHIP Benefits

- 14 separate CHIP programs provided benefits that were either the same or very similar to Medicaid

Secretary-Approved Coverage Based on Medicaid	Number of Programs
Same as Medicaid State Plan	10
Medicaid Equivalent with Exceptions	3
Medicaid Section 1115 Waiver	1

- When added to states with Medicaid expansion CHIP programs, 38 states and D.C. provide Medicaid or Medicaid-based benefits through CHIP
- Of the 14 programs that chose Medicaid-based Secretary-approved coverage, 11 indicated providing EPSDT

Core Services

Benefit Categories	Coverage
Inpatient, Outpatient, Physician, Surgical, and Clinic Services	Largely covered without significant limitations

- Examples of limits:
  - In a handful of programs, surgery to treat obesity is excluded
  - A small number of programs limit transplantation services

Drugs and DME

Benefit Categories	Coverage
Prescription drugs	Largely covered, a handful with formularies
Over-the-counter medications	13 full, 15 limited, 14 uncovered
Durable medical equipment	Largely covered, a handful with limits

- Examples of limits:
  - OTC medications frequently limited to a specified list
  - DME dollar value limits, from $500 in Arkansas to $20,000 in Texas

Behavioral Health

Benefit Categories	Coverage
Outpatient/inpatient mental health	Largely covered, a handful with limits
Outpatient/inpatient substance abuse services	Largely covered, a handful with limits

- Parity requirements apply if mental health services are offered, though CMS has set no deadline for compliance
- Examples of limits:
  - Dollar and age limits on ABA services
  - Day limits for inpatient substance abuse treatment

Outpatient Therapies

Benefit Categories	Coverage
Physical, occupational, speech/language therapies	17 of 42 programs established limits

- Examples of limits:
  - Combined visit limits across therapy types
  - Separate visit limits for each therapy type

Dental, Vision, and Hearing Services

Benefit Categories	Coverage
Dental services	All programs cover some services, limits common for orthodontics
Vision exams and corrective lenses	All cover, limits common for lenses
Hearing exams and hearing aids	All cover exams, 3 do not cover aids Limits common for hearing aids

- Examples of limits:
  - Orthodontics limited to severe or handicapping malocclusions
  - Hearing aids every 2, 3, or 4 years, sometimes also with a dollar limit

Care Coordination, Non-Emergency Transportation, Enabling Services

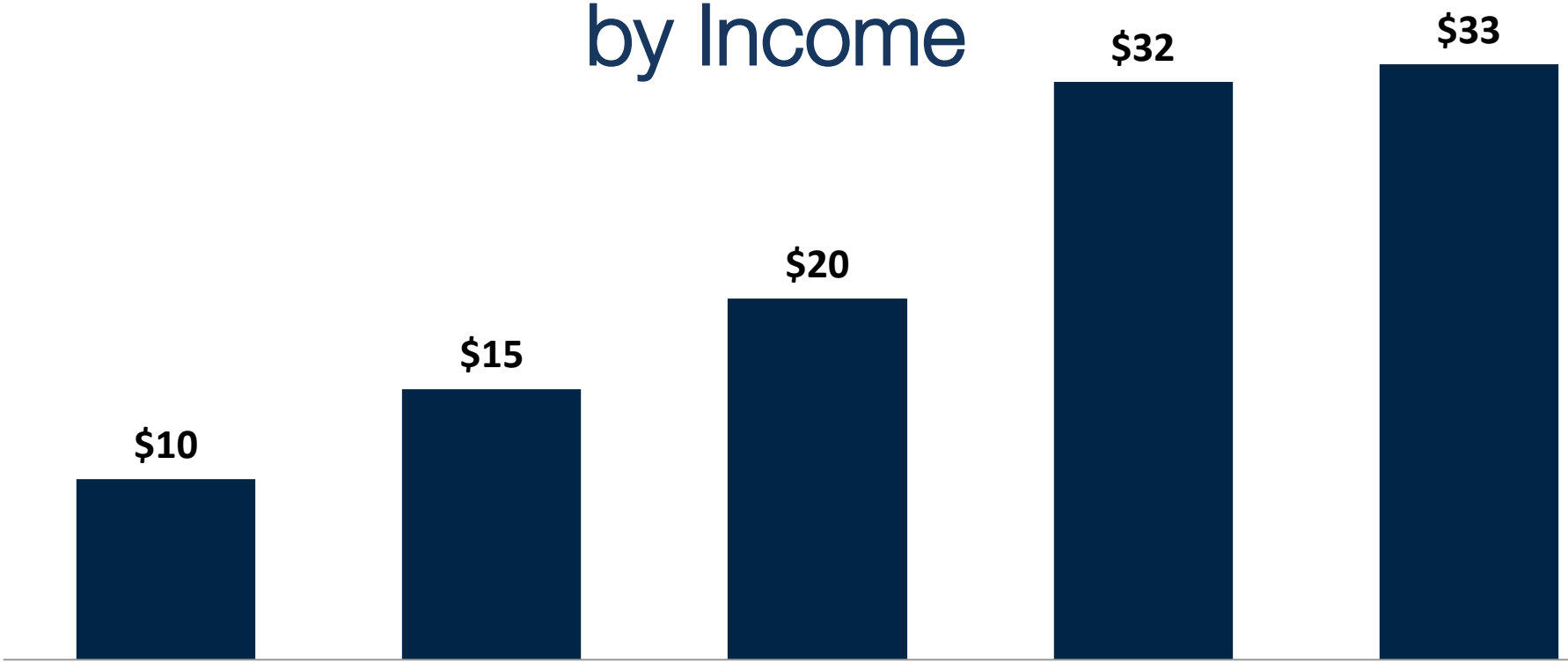
Benefit Categories	Coverage
Care Coordination	16 full, 9 limited, 17 uncovered
Non-Emergency Medical Transportation	15 full, 8 limited, 19 uncovered
Enabling Services	14 full, 28 uncovered

- Examples of limits:
  - Care coordination limited to children with special health care needs
  - NEMT limited to transportation between medical facilities

Other Benefits Covered in the Report

- Laboratory & Radiological Services
- Disposable Medical Supplies
- Home and Community-Based Health Care Services
- Nursing Care Services
- Case Management Services
- Hospice Care
- Prenatal Care and Pre-Pregnancy Family Services & Supplies
- Abortion Services
- Premiums for Private Health Insurance Coverage
- Emergency Medical Transportation
- Podiatry
- Chiropractic Services

Median Monthly Premiums per Child by Income



	<150% FPL	151% FPL	201% FPL	251% FPL	301% FPL
Number of Programs Charging Premiums:	9	20	27	16	14

NOTE: Premiums listed at 201%, 251%, and 301% include states whose upper income levels are 200%, 250%, and 300% FPL. OR and PA excluded because premiums vary by contractor.

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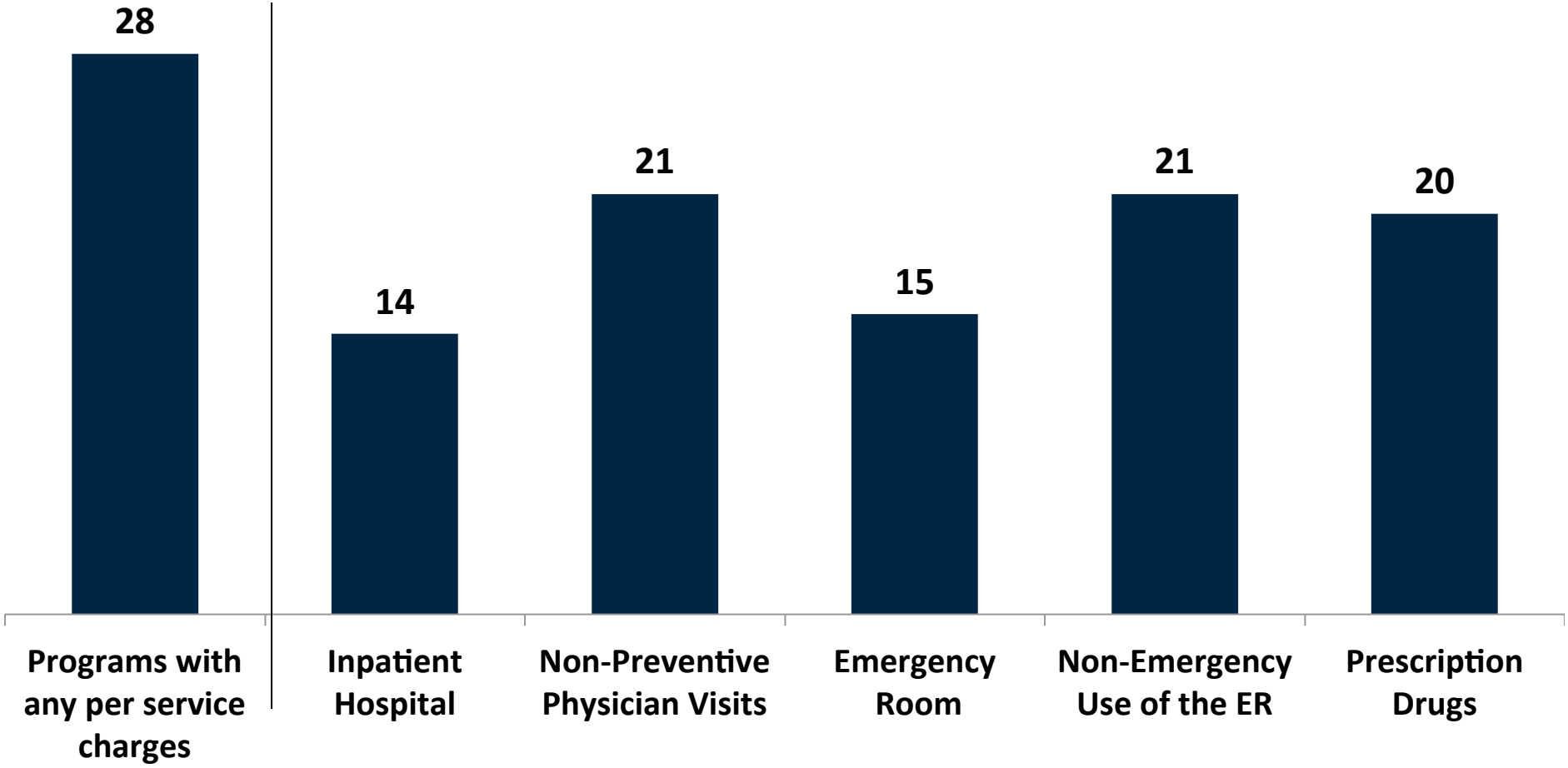
Programs with per Service Charges



Limits on Premiums and Cost-Sharing

- 20 programs have a cap lower than 5% of family income:

No charges beyond premiums	12
Cost-sharing limit lower than federal cap	8

- The 5% cap applies in the remaining 22 programs

Discussion on Policy Implications of Report Findings

Joanne Jee, Moderator
Program Director
National Academy for State Health Policy

Joan Alker
Executive Director
Georgetown University Center for Children and Families

Sharon Carte
Executive Director, West Virginia Children's Health Insurance Program
Member of the Medicaid and CHIP Payment and Access Commission (MACPAC)

Catherine Hess
Managing Director for Coverage and Access
National Academy for State Health Policy

What were some of the key principles for West Virginia in developing its CHIP benefits package?

At the Start…

- CHIP Board approval in 1998
- Emphasis on children's preventive and remedial services as well as modest cost sharing
- Benchmarked on West Virginia's public employee plan

A Child Focused Plan

- Preventive Services
  - AAP recommended Well Child Visits; vision, hearing, dental exams, immunizations; developmental screening
- Remedial Services
  - Speech, occupational, and physical therapies; hearing aids and eyeglasses

For a comparison of WV CHIP and WV Medicaid benefits go to: http://www.chip.wv.gov/SiteCollectionDocuments/WVCHIP%20Medicaid%20Benefits%20Summary1.pdf

What have you learned about children's needs for and use of benefits?

Benefit Surprises and Changes

- Dental Coverage – A Strong Family Interest
  - Pre-CHIPRA no orthodontia coverage
  - Over 200% FPL plan level with $100 per child or $150 per family limit
- A More Robust Plan – Post CHIPRA
  - Full dental with orthodontia
  - Mental health parity
- Birth to Three Services Added

What do the findings from this report tell us about CHIP's role in covering children?

Confirms Prior Research Findings

- NASHP's *Charting CHIP* series ('00, '05, '08)
  - "In 2008, the majority of the benefits the survey queried on were covered by at least 85 percent of the 40 responding S-CHIP programs."
- First Focus/Watson Wyatt Actuarial Study ('09; 17 states)
  - "CHIP provides comprehensive benefits with very limited cost-sharing. … the median actuarial value of CHIP was at a100% level for children in families earning 175% of the FPL and at 98% for children at 225% of the FPL. In other words, there is only 0-2% cost sharing for children."
- AAP/Peggy McManus ('12; 5 states)
  - "none of these plans [federal employee, state employee, small group], compared to the expansive coverage available in Medicaid's Early Periodic Screening, Diagnosis and Treatment(EPSDT) program or even in separate Children's Health Insurance Program (CHIP) plans."

CHIP compared to Other Children's Coverage Options

- Medicaid, especially EPSDT, generally acknowledged to be most comprehensive for children, especially for children and youth with special health care needs (CYSHCN)
- 3 out of 4 states are providing Medicaid or Medicaid-like benefits through CHIP funding
- Remaining state packages cover much of what children need with low cost sharing, and likely exceed value of market plans
- But limitations most likely to affect CYSHCN

What does this study suggest about how the Secretary of HHS might conduct the assessment of comparability between CHIP and QHPs?

Comparability Assessment

- ACA requires Secretary of HHS to report by April 2015 on comparability of benefits and cost sharing between CHIP and QHPs
- Our study shows the assessment will be complicated!
  - EHB benchmarks do not overlap with CHIP benchmarks
  - Must take into account all the different benefits packages and cost-sharing structures in the QHPs and in CHIP

How might CHIP fit into the new coverage landscape, and what policy options are there for better meeting children's health coverage needs in the context of the ACA?

CHIP in the New Landscape

- CHIP sits somewhat awkwardly between Medicaid and subsidized coverage but ACA recognized its role
- CHIP benefits were developed with kids in mind, CHIP cost sharing for families with income just above Medicaid levels
- QHPs serve a wider range of ages and incomes:
  - Pediatric EHB needs a close look
- Landscape is different, but commitment to children should remain

CHIP in the New Landscape

- **Optimally** – CHIP is replaced by QHP offerings in each state with plans of substantial child focused coverage and affordability close to CHIP
- **Reality** – To assure CHIP dovetails smoothly into the new landscape requires:
  - Addressing family glitch
  - Assessing QHP coverage and comparability
  - Assessing QHP plan affordability and impact of cost-sharing
  - Dental: An endangered benefit?
- **MACPAC** recommends a two year transition period
- **State Options** – Basic Health Plans?

CHIP in the New Landscape

How long should CHIP be extended? Consider:

- Maintenance of effort for children to 9/30/2019
- Many operational issues still to be worked through
- Shifting policy landscape, especially with upcoming elections, possibly including
  - Changing state decisions on Medicaid expansion
  - Changing state decisions on marketplace administration
  - Changing federal guidance and/or state decisions on essential health benefits
- Likelihood and timeframe for fixes to ACA

CHIP in the New Landscape

- If and when CHIP ends, how will we ensure continuing focus on the health coverage needs of children and youth?
  - CHIP innovated and catalyzed changes in Medicaid, many of which were incorporated in or modeled in ACA
  - Do we need statutory provisions to ensure continuing focus on children and youth in our programs? What would those look like?

Audience Q&A

Please type your questions into the chat box

Additional Resources

- *Benefits and Cost Sharing in Separate CHIP Programs*
  - Full report and executive summary available on both NASHP & CCF:
    - http://www.nashp.org/publication/benefits-and-cost-sharing-separate-chip-programs
    - http://ccf.georgetown.edu/ccf-resources/benefits-and-cost-sharing-in-separate-chip-programs/
- NASHP resources:
  - NASHP Children's Health Insurance page: http://www.nashp.org/childrens-health-insurance
  - *Toolbox for Advancing Children's Coverage through Health Reform Implementation:* http://www.nashp.org/children-in-vanguard/toolbox
- CCF resources:
  - CCF homepage: ccf.georgetown.edu
  - *Say Ahhh! Blog:* ccf.georgetown.edu/blog/

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