Updated Estimates of Eligibility for Separate CHIP Children in a Post-CHIP Landscape

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Agenda

- Give overview of Urban Institute's microsimulation model
- Provide preliminary results from the model and compare to those previously published by MACPAC
- Discuss next round of estimates, expected for January 2015 meeting

Microsimulation Modeling Used Because Not All Families Are Average

- While premiums families face are often displayed based on averages or medians, out-of-pocket premiums vary by a number of factors:
  - Job-based premiums vary across states, industries, ownership, age of firm, union presence, etc.
  - Employers contribute different amounts toward premiums.
  - Subsidized exchange premiums vary by income, family size, the cost of the second lowest cost silver plan in the state's rating area, and families' choice of plans.
- Families' expected health care use (and thus their cost sharing) may not be average.

Modeling Simulates Impacts on All Families Across Spectrum of Experiences

- Such models are generally based on nationally representative surveys of individuals and families.
- National and state eligibility policies and costs in Medicaid, CHIP, QHPs, and job-based coverage are added.
- Based on that information, each family is assessed in order to project:
  - Who is eligible for coverage?
  - How much it would cost?
  - Who would enroll or be uninsured?
  - Would coverage change under different scenarios?

Background on Urban Model

Urban Institute's model is ACS-HIPSM — American Community Survey-Health Insurance Policy Simulation Model.

- Primarily relies on the Census Bureau's American Community Survey (ACS), a nationally and state representative survey of the U.S. population.
- Incorporates additional demographic, income, and work information from the Census Bureau's Current Population Survey (CPS).
- Health care spending added from other sources, including the Household Component of the Medical Expenditure Panel Survey (MEPS-HC) and the National Health Expenditure Accounts.

ACS-HIPSM Enhancements for Assessing Changes in Post-CHIP Landscape

- MACPAC is supporting enhancements to Urban's ACS-HIPSM to better account for job-based premiums and cost sharing and their effects on enrollment and uninsurance.
- Primary source of data for employer premiums and the type of dependent coverage offered is Medical Expenditure Panel Survey – Insurance Component (MEPS-IC), from the Agency for Healthcare Research and Quality (AHRQ).
  - AHRQ analysis and contributions invaluable in providing best possible MEPS-IC data for model.

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Currently Available Preliminary Projections from Model

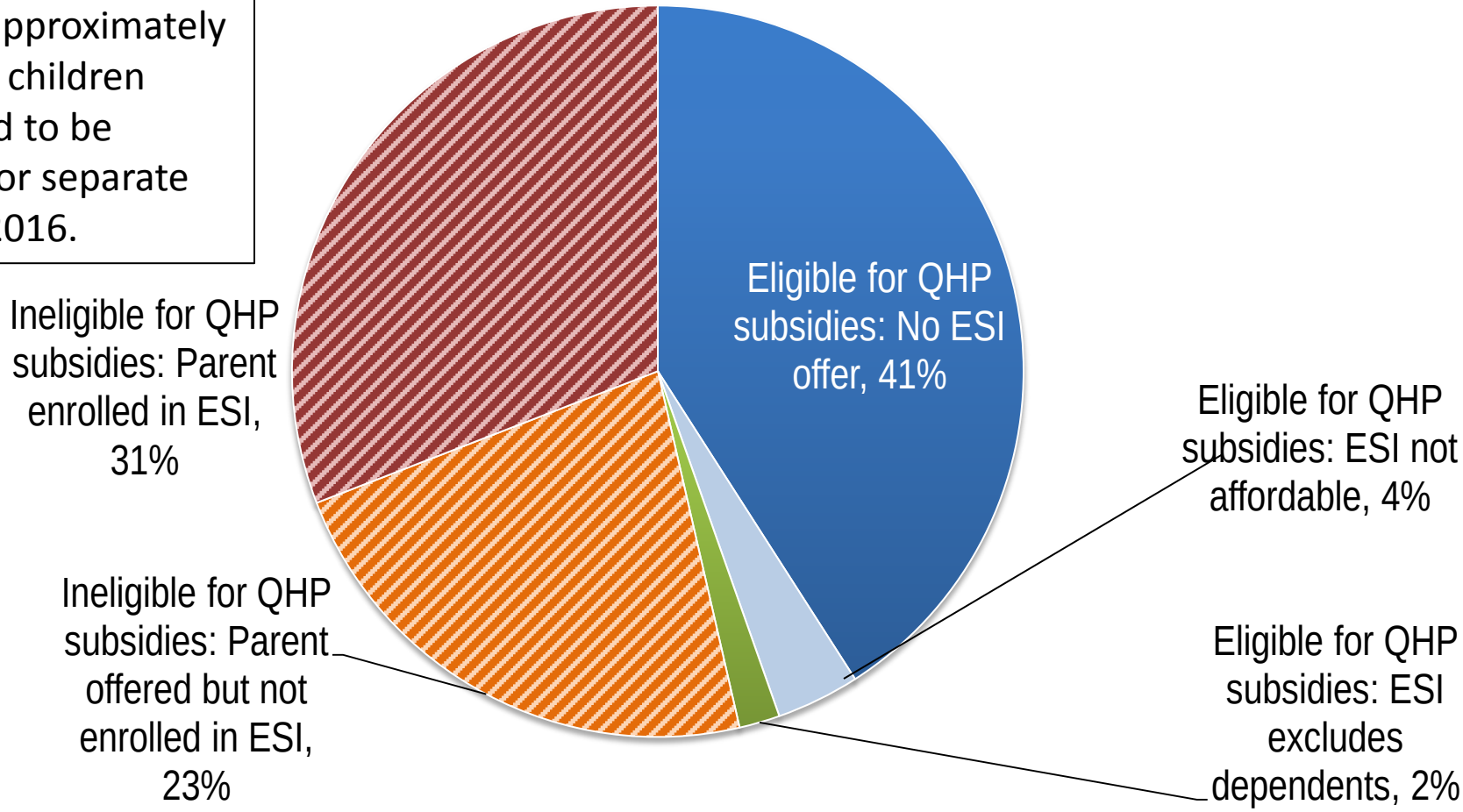
- As of today, we are only able to release estimates of the sources of coverage for which separate CHIP children would be eligible.
- Work continues to estimate the costs of coverage in the post-CHIP landscape and whether children would obtain other coverage or become uninsured.

Preliminary Projections: Number of Separate CHIP Children in 2016

- Approximately 4 million children are projected to be eligible for separate CHIP:
  - Excludes children enrolled in job-based coverage
  - Includes children in their state's separate CHIP income who are enrolled in CHIP, private nongroup (excluding QHPs), or are uninsured
- Approximately 3 million children are projected to be enrolled in separate CHIP, which is lower than previous MACPAC numbers because:
  - Taken at a point in time rather than ever enrolled during the year
  - Reflects a shift from separate CHIP to Medicaid-expansion CHIP due to California, MAGI, and stairstep children.

Figure 1. As in Prior Estimates, Most Children Eligible for Separate CHIP Are Projected to be Ineligible for Exchange Subsidies in Post-CHIP Landscape

Among approximately 4 million children projected to be eligible for separate CHIP in 2016.



Source: Preliminary Urban Institute analysis for MACPAC of ACS-HIPSM enhanced with MEPS-IC data from the Agency for Healthcare Research and Quality.
Note: Excludes unborn children and children enrolled in Medicaid-expansion CHIP. Affordable is defined as self-only premium less than 9.5% of family income.

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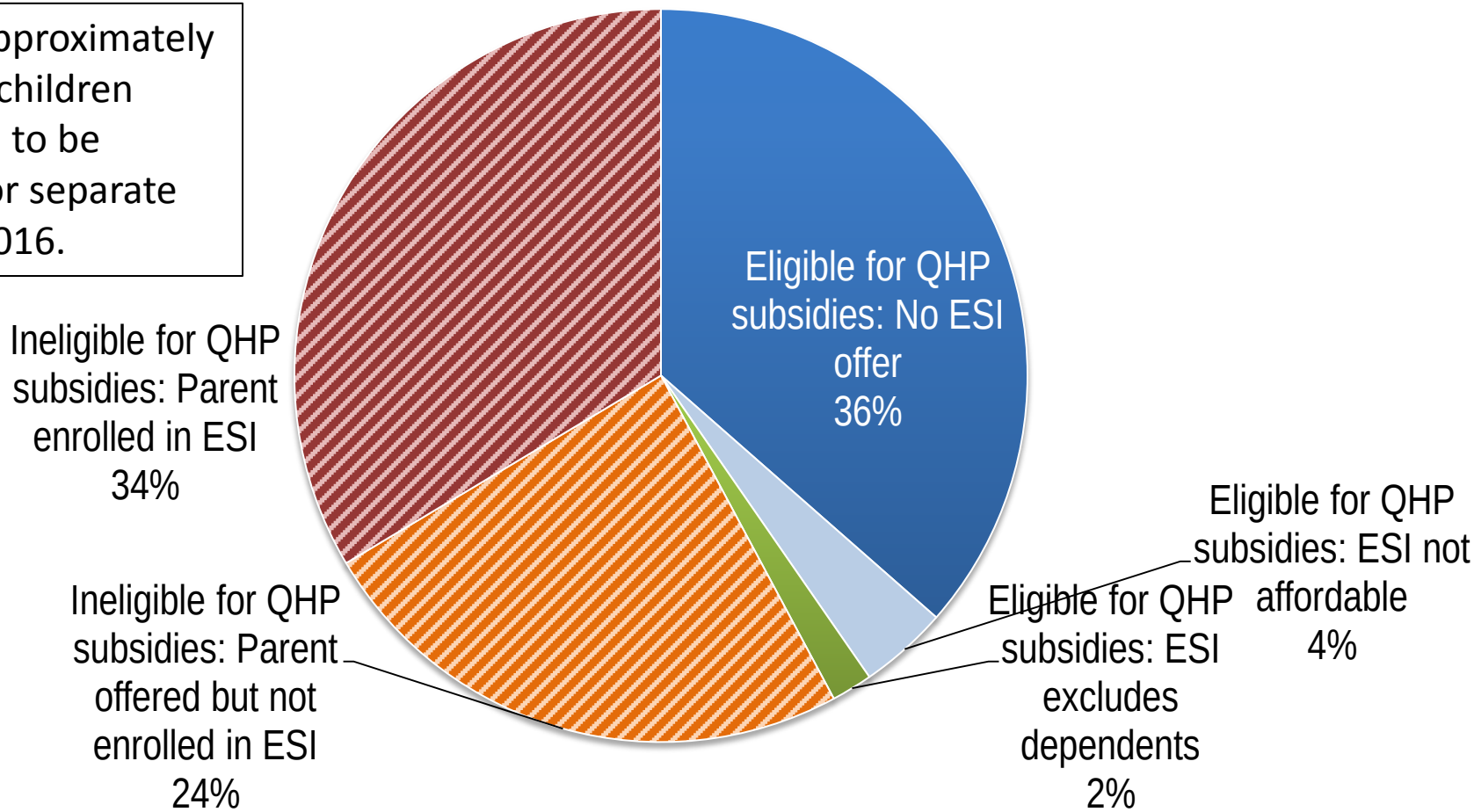
Figure 2. Children Enrolled in Separate CHIP Less Likely to be Eligible for Exchange Subsidies in Post-CHIP Landscape

Among approximately 3 million children projected to be eligible for separate CHIP in 2016.



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Aspirations for Next Round of Projections

If CHIP ends, among children in separate CHIP:

- What is the distribution of premiums and cost sharing families would face for exchange and job-based coverage?
- How many children would enroll in available coverage versus become uninsured?
- What are potential effects of some policy options, such as:
  - Altering the ACA's self-only affordability test?
  - Permitting children who are below 200% FPL and ineligible for Medicaid to obtain enhanced exchange subsidies?

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