



MACPAC
Medicaid and CHIP Payment and Access Commission



Long-Term Policy Options for Children's Coverage

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Concerns If CHIP Ends, Articulated in June 2014 and March 2015 Reports

- Increased uninsurance
- Affordability of premiums
- Affordability of cost sharing
- Variation in benefits across coverage sources and plans
- Adequacy of provider networks for children

Issues to Consider to Improve Exchange Coverage for Children

1. The family glitch
2. Affordability of exchange plan premiums for children
3. Affordability of exchange plan cost sharing for children
4. Pediatric dental benefits for children with exchange coverage
5. Benefits for children with exchange coverage

Issue 1: Family Glitch

If employees' contribution toward self-only premiums for employer-sponsored insurance is considered not affordable, they and their family may obtain exchange subsidies

- However, employees' contribution to family coverage is not considered
- If the ACA's definition of affordable accounted for family coverage, more families would be eligible for exchange subsidies

Options: Family Glitch

1. Entire family could qualify for exchange subsidies if contribution to family premium exceeds 9.5% of income
2. Only children could qualify for exchange subsidies under revised affordability test
3. Same as Option 2, but with exchange subsidies also available for employer-sponsored insurance

Issue 2: Affordability of Exchange Plan Premiums for Children

Premium contributions for children's exchange coverage could be higher for some families if

- Parents are not already enrolled in exchange coverage
- Children enroll in a stand-alone dental plan

Options: Affordability of Exchange Plan Premiums for Children

1. Full subsidies for children's exchange plan premiums
2. Additional (but not full) subsidies for children's exchange plan premiums
3. Premium tax credit calculation accounts for family members' non-exchange premiums

Issue 3: Affordability of Exchange Plan Cost Sharing for Children

Out-of-pocket cost sharing (e.g., copayments and deductibles) for children's exchange coverage will be significantly higher than in CHIP, especially for children with special health care needs

Options: Affordability of Exchange Plan Cost Sharing for Children

1. Apply 100 percent actuarial value to exchange plans for children
2. Apply 98 percent actuarial value to exchange plans for children
3. Apply state's current CHIP actuarial value to exchange plans for children
4. Tiered increases to exchange actuarial values for children, based on income

Issue 4: Pediatric Dental Benefits for Children with Exchange Coverage

Some children in exchange plans may lack pediatric dental benefits

- Pediatric dental services are a required essential health benefit
- Pediatric dental benefits are not always embedded in exchange plans, when stand-alone dental plans are available
- Exchange premium subsidies do not reflect the additional cost of stand-alone dental plans

Options: Pediatric Dental Benefits for Children with Exchange Coverage

1. Require all exchange plans to embed pediatric dental services
2. Augment existing subsidies to include the cost of stand-alone dental plans
3. Require Medicaid to provide wrap around pediatric dental coverage for children

Issue 5: Benefits for Children with Exchange Coverage

Exchange plan benefits may be less comprehensive and have greater limits than CHIP coverage

- Most major medical benefits are covered in both programs
- Some gaps exist
- Covered services can vary, both among and within programs

Options: Benefits for Children with Exchange Coverage

1. Establish separate pediatric EHBs tied to Medicaid's EPSDT definition
2. Establish separate pediatric EHBs based on benefits generally available under CHIP
3. Establish a separate children's EHB benchmark apart from the general benchmark
4. Expand the definition of pediatric services to include certain benefit categories (e.g., audiology services)
5. Require Medicaid to provide wrap-around benefits coverage for children