Key Components and Decision Points for the Future of CHIP and Children’s Coverage

Medicaid and CHIP Payment and Access Commission
Chris Peterson and Joanne Jee
Overview

• Review key components for a package of recommendations on children’s coverage
• Highlight key decision points for each component
• Next steps
Key components for a package on children’s coverage

- Extend CHIP
- Permit optional CHIP-financed exchange subsidies
- Enhance exchange coverage above CHIP eligibility levels
- Broaden state innovation waivers
- Other extenders
Extend CHIP

- Federal CHIP funding is extended for a specified period of time
- CHIP continues in its current form

Component

- Extend CHIP
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Extend CHIP: Decision points

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Decision Points

Duration
- How long?
- Prior funding periods: 2, 5, 10 yrs

Maintenance of effort
- Continue MOE through FY 2019?

Federal matching rate
- 23 point bump through FY 2019?
- Change match rate for children with higher income, e.g., >250% FPL?
## Permit optional CHIP-financed exchange subsidies

- Federal CHIP funding is extended for a specified period of time
- For children eligible for CHIP, allow states to purchase exchange coverage to bridge Medicaid and exchange coverage

### Component

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Permit optional CHIP-financed exchange subsidies: Decision points

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**Component**
- Extend CHIP
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- Enhance exchange coverage above CHIP eligibility levels
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**Decision Points**

- **Exchange coverage**
  - Income eligibility level: CHIP level or higher? At what FMAP?
  - Mandatory vs. optional for families?
  - Affordability standard: Current state CHIP levels, another level?
  - Benefit standard: Require dental coverage, wrap around?
  - Cost effectiveness test required?

- **Employer coverage**
  - Federal exchange subsidies in addition to CHIP subsidies?
  - Address barriers to using existing premium assistance authorities?

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May 19, 2015
Enhance exchange coverage above CHIP eligibility levels

- Federal CHIP funding is extended for a specified period of time
- For children above current CHIP eligibility levels, enhance exchange coverage to improve coverage, affordability, and adequacy of benefits
Enhance exchange coverage: Decision points

Component
- Extend CHIP
- Permit optional CHIP-financed exchange subsidies
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Decision Points
- Eligibility
  - Revise or ignore ESI affordability test (i.e., fix family glitch)
  - Maximum eligibility level?
- Affordability
  - Affordability standard?
  - Additional premiums or cost sharing subsidies?
- Benefits
  - Enhance benefits for children?
  - Require any benefits (e.g., dental, others)?
- Children’s exchange plan premiums
  - Adjust child age-rating used in setting premiums for children?
Broaden state innovation waivers

- Federal CHIP funding is extended for a specified period of time
- Broaden Section 1332 state innovation waivers to permit state use of federal Medicaid, CHIP, and exchange subsidy funding to create a standardized coverage option for children
Broaden state innovation waivers: Decision points

- Open to all states or a limited number (e.g., pilot)?
- Any eligibility criteria for states?
- Require cost effectiveness?
- Any limits on funding?
- Which federal funding streams: CHIP, Medicaid, and exchange?
Other extenders for consideration

- **Express Lane Eligibility**
  - Permits states to rely on findings from certain programs (e.g., SNAP) to determine Medicaid or CHIP eligibility

- **Outreach and enrollments grants**
  - Grants to increase enrollment of children eligible for Medicaid or CHIP

- **Pediatric quality measures program**
  - Program to identify quality measurement gaps, develop and refine measures, and make demonstration grants

- **Child obesity demonstrations**
  - Grants to develop, implement, and evaluate programs to combat childhood obesity
Other extenders for consideration

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**Decision Points**

**Express Lane Eligibility**
- Reauthorize beyond September 2017?

**Outreach and enrollment grants**
- Extend funding beyond September 2017?
  - Current funding: $20M per year

**Ped. quality measures program**
- Extend funding beyond September 2017?
  - Current funding: $10M per year

**Child obesity demos**
- Extend funding beyond September 2017?
  - Current funding: $5M per year
Next steps

- Spring: Define parameters of key components for preferred approach for children’s coverage
- Summer: Obtain cost estimates
- Fall: Review preferred approach
- December 2016: Vote on recommendation
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