

Differences that Make a Difference: A Comparison of Federal Medicaid and SCHIP Benefit Standards

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Why Medicaid Standards Matter



Kevin Hall, a 12-year-old, has severe allergic asthma that until recently was out of control. He required 13 medications a day, was in and out of the doctor's office (and sometimes the ER) 2 – 3 times/month and for a period required a visiting nurse.

Kevin's mother had coverage from her job, but it left her with unaffordable cost sharing and uncovered treatments. Medicaid's coverage of a new drug has "given Kevin back his life."



Brandie Haughey, age 10, has multiple medical and developmental problems.

She weighs only 55 pounds, requires 3 different medications for epilepsy, intensive speech and physical therapy, and ongoing monitoring for lesions.

Her problems will never be "cured" but now her seizures are under control. She can use scissors, ride a bike (not yet around curves), color within lines, and her gait, speech, and physical strength are improving.

“When you consider the extensive mental health needs of so many of our low-income children, Pennsylvania’s CHIP program (Pennsylvania’s State Children’s Health Insurance Program) is what I would consider “very basic.” I say that not because there are very harsh limits on the number of outpatient clinic visits or inpatient days that are covered, but because the range of services covered under CHIP is quite narrow and considerably less child- and family-centered.”

Stanley Mrozowski, Director of the Children’s Bureau for Pennsylvania’s Office of Mental Health and Substance Abuse Service, from CCF, *Why Medicaid Matters*,
<http://ccf.georgetown.edu/pdfs/ccfnhcfullreport.pdf>

What Must be Covered

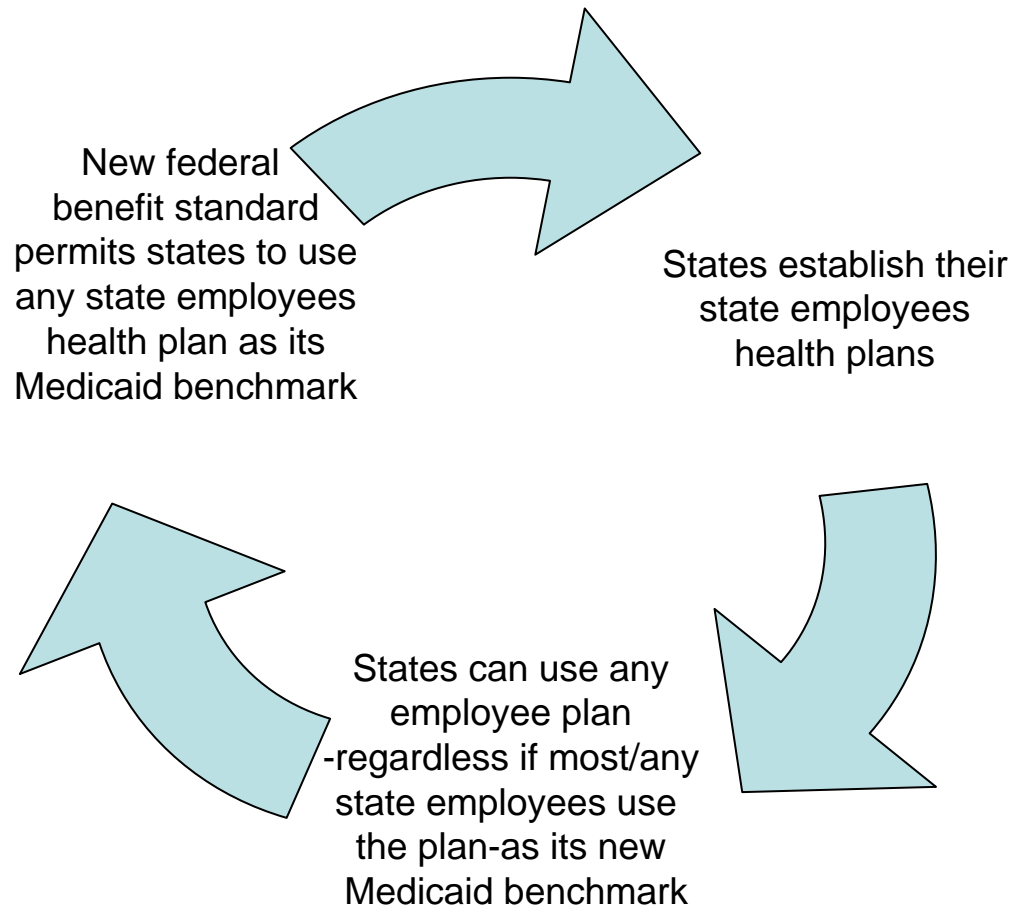
Medicaid

- For children, preventive care, including hearing, vision, and dental screenings and all medically necessary treatment (EPSDT)
- For adults, mandatory services must be covered and, for all services that are covered, services must be comparable across groups, available statewide, and sufficient in “amount, scope, and duration.” No discrimination based on diagnosis/disease.

SCHIP

- Well-child services, immunizations and emergency services
- Other services largely at state discretion as long as the plan meets or is actuarially equivalent to a benchmark plan or has been approved by the Secretary of HHS.

A Benefits Standard Without Standards



Medical Necessity

Medicaid

For children, a service must be covered if necessary “to correct or ameliorate defects and physical and mental health conditions.”

SCHIP

No federal standard; more commercial-like definition can control

- Of the 15 states with separate SCHIP programs studied, 6 use a Medicaid-like definition.

Examples Of SCHIP Exclusions

- Hearing aids not covered (MT).
- Eyeglasses not covered (UT).
- Speech therapy to address delayed language development or articulation disorders not covered (MS).
- Dental care not covered (TX) – very limited coverage beginning in 2006.

Examples of SCHIP Limitations

- Inpatient mental health services limited to 15 days/year (NH).
- Outpatient mental health services for certain conditions limited to 20 visits/year (CO).
- Lead screening not required as part of regular well-child visits (NH, MT, TX, IA, MI, MS).
- Dental coverage capped at \$500 or less per year (CO, MT).
- Speech therapy only covered if substantial improvement will result within 60 days (NY).

How Would SCHIP Standards Work for Kevin or Brandie?

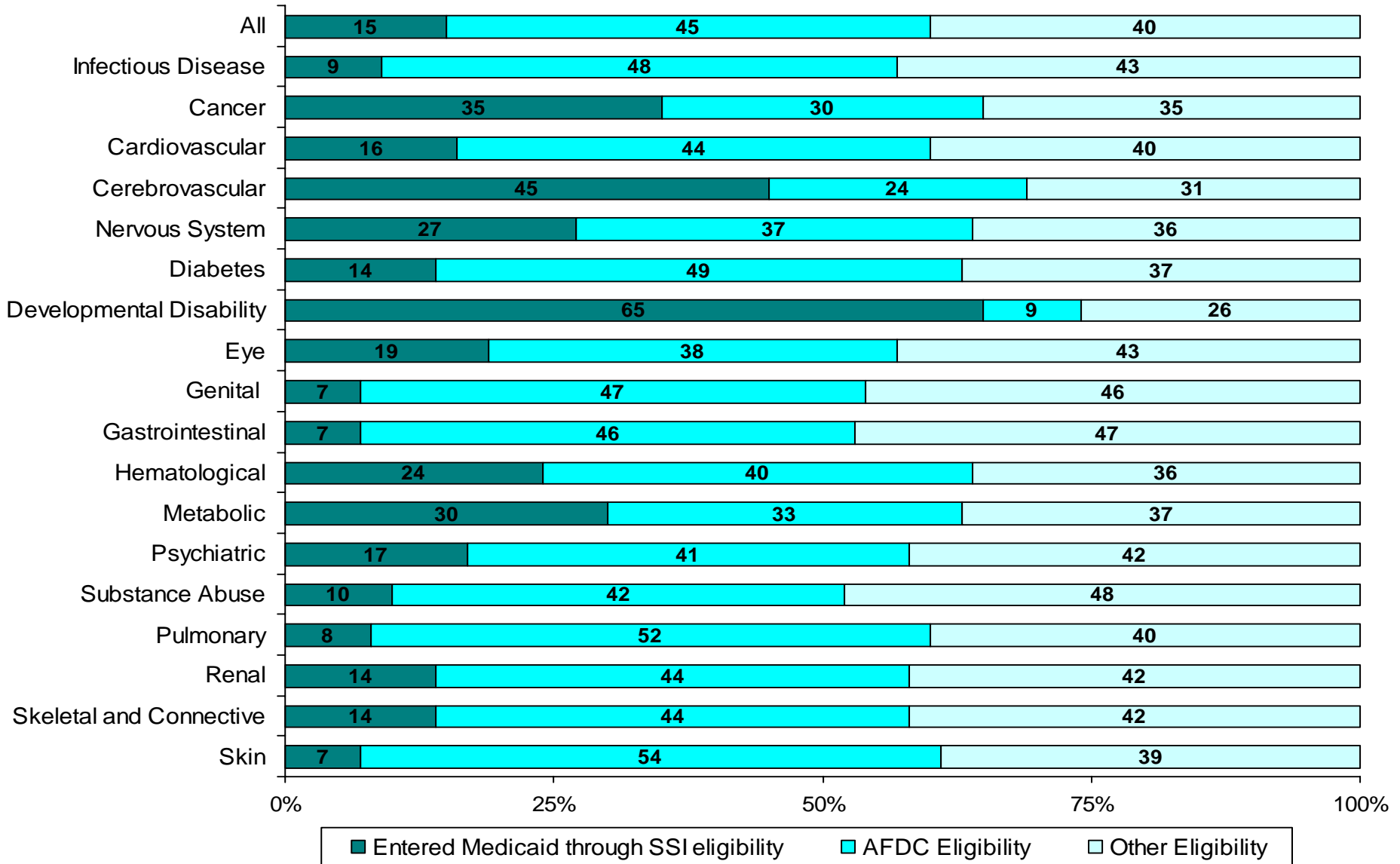


- Would Kevin's expensive asthma treatments be covered?
- Would his 13 prescriptions be covered?

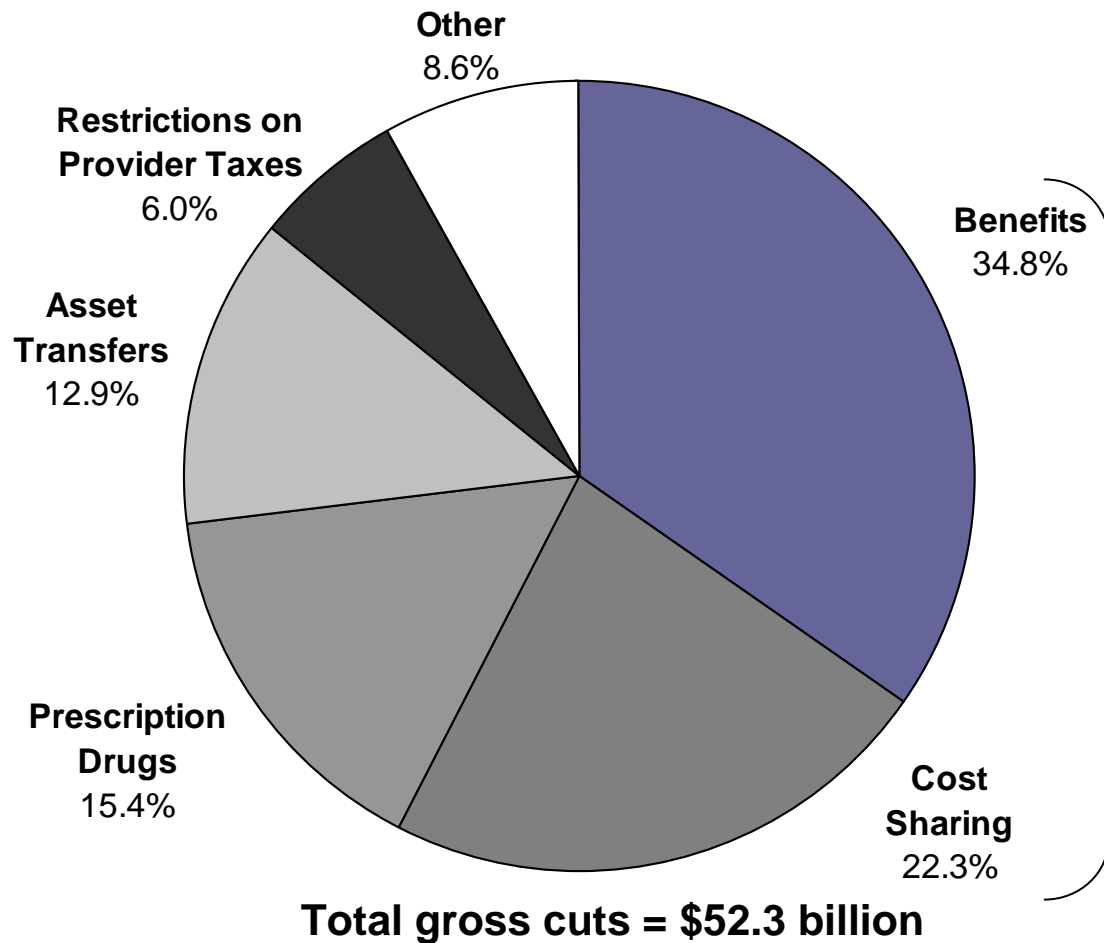


- Would Brandie's intensive speech, occupational, and physical therapy be covered?
- Would the combination of seizure medications be covered?

Eligibility Pathways for Child Medicaid Beneficiaries with Chronic or Disabling Conditions, by Major Diagnostic Group



The Reduction in Benefits is the Largest Source of Medicaid Savings Under the House Proposal



Together, benefit and cost sharing changes account for 57% of total Medicaid reductions.

Notes: Total gross cuts and reductions in benefits and cost sharing are offset by the \$11 million increase in spending for exemption for women with certain cancers. "Other" includes changes relating to third-party recovery, targeted case management, citizenship verification requirements, payment for emergency services, and non-emergency medical transportation. The House bill re-invests \$4.6 billion (8.8%) of total cuts into Medicaid, making net cuts \$47.7 billion. Source: Georgetown CCF analysis of Congressional Budget Office Cost Estimate, *Reconciliation Recommendations of the House Committee on Energy and Commerce*. October 31, 2005.