

# SCHIP 101

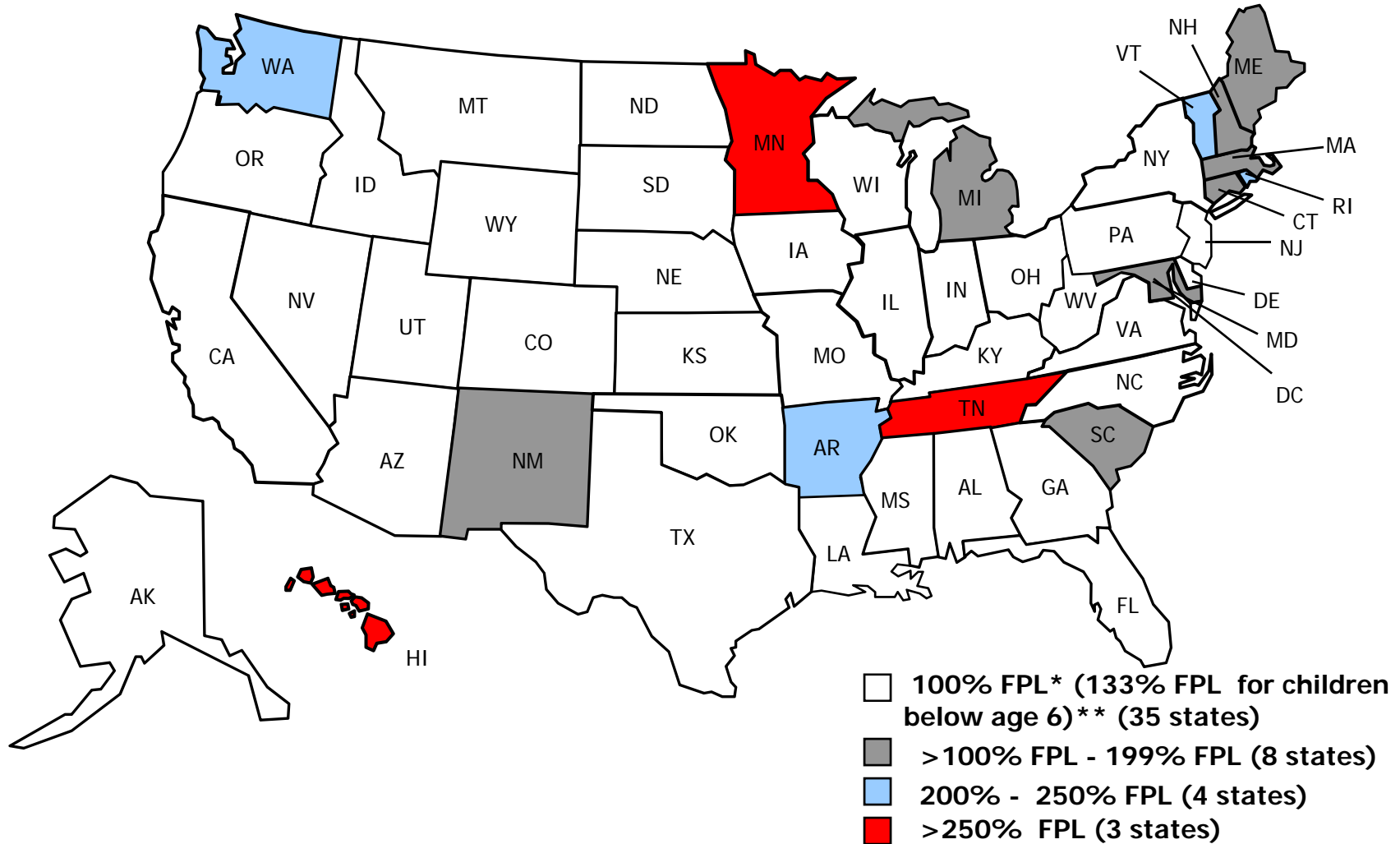
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# Welcome to SCHIP

- Created as part of the Balanced Budget Act of 1997 with a \$40 billion, 10 year appropriation
- Rose from ashes of Clinton reform efforts
- Passed with bipartisan support
- Purpose: “to provide funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of health benefits coverage for children.”

# Children's Eligibility for Medicaid October 1997



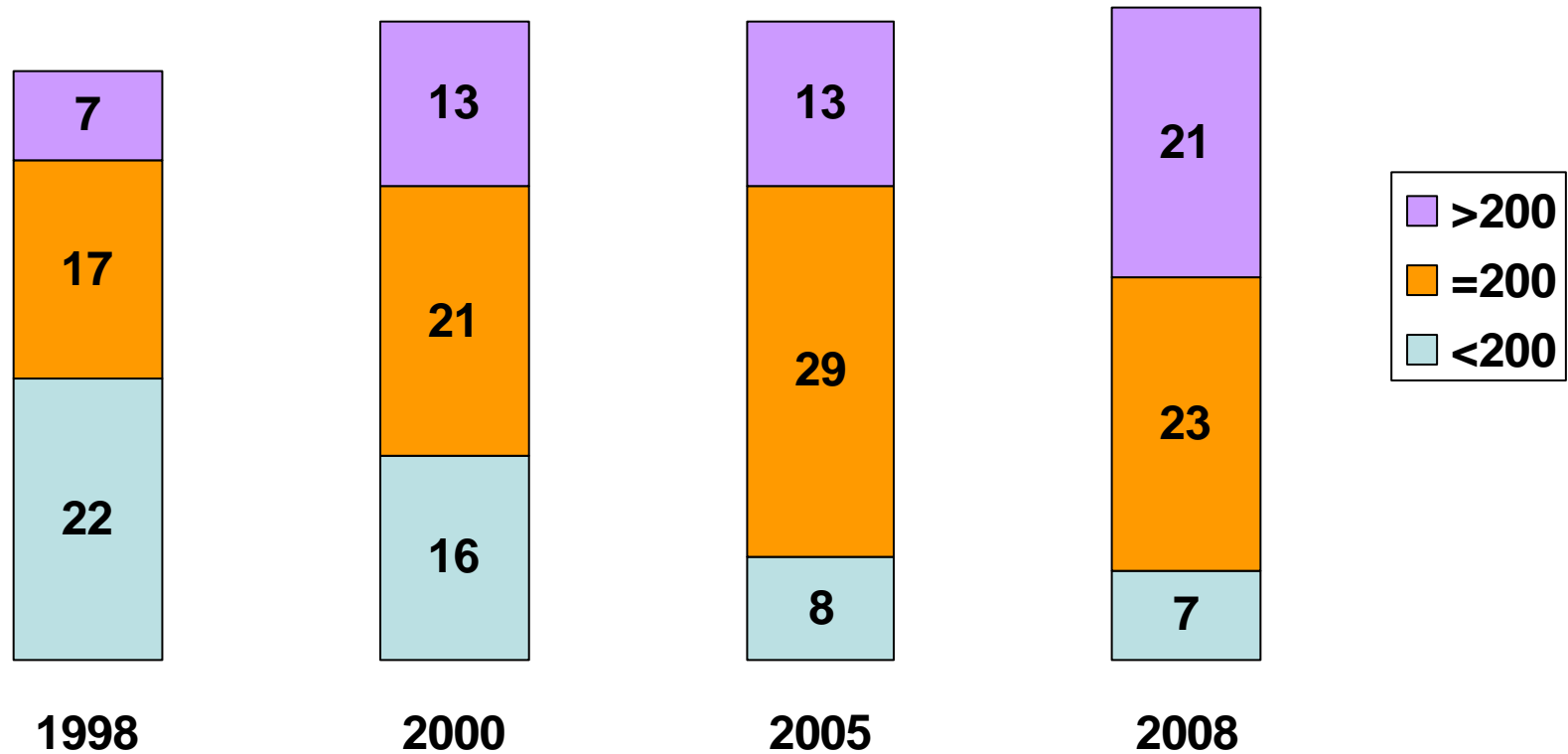
\*The Federal Poverty Line (FPL) for a family of three in 1997 was \$13,330 per year.

\*\*In 1997, Wisconsin covered children below age six up to 185% FPL.

SOURCE: MCH Update, State Medicaid Coverage of Pregnant Women and Children, 2008.



# States Continue to Expand SCHIP Eligibility: Number of States with Eligibility Standard (as % FPL)

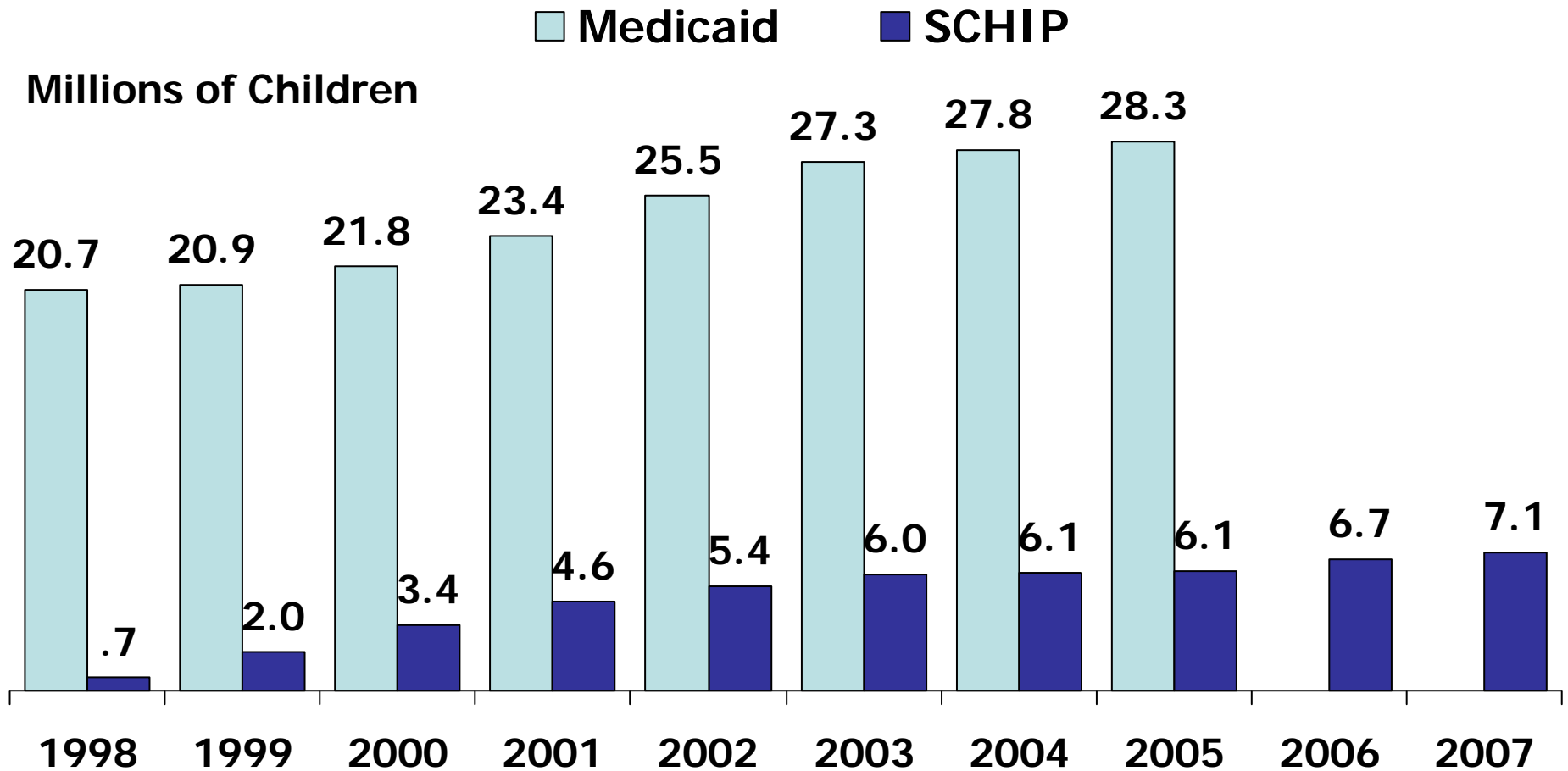


Source: NASHP SCHIP Surveys, Kaiser State Health Facts

# SCHIP Accomplishments

- Reduced the number of uninsured children
- Improved access to services
  - More likely to have usual source of care for medical and dental care
  - More likely to receive preventive care
  - Parents less likely to report unmet needs
  - Parents more likely to report peace of mind about ability to meet children's health care needs

# Medicaid and SCHIP Enrollment of Children, 1998-2007



SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of HCFA-2082, MSIS, and SEDS data, 2007.

# Child Health Coverage Then and Now: A Success Story

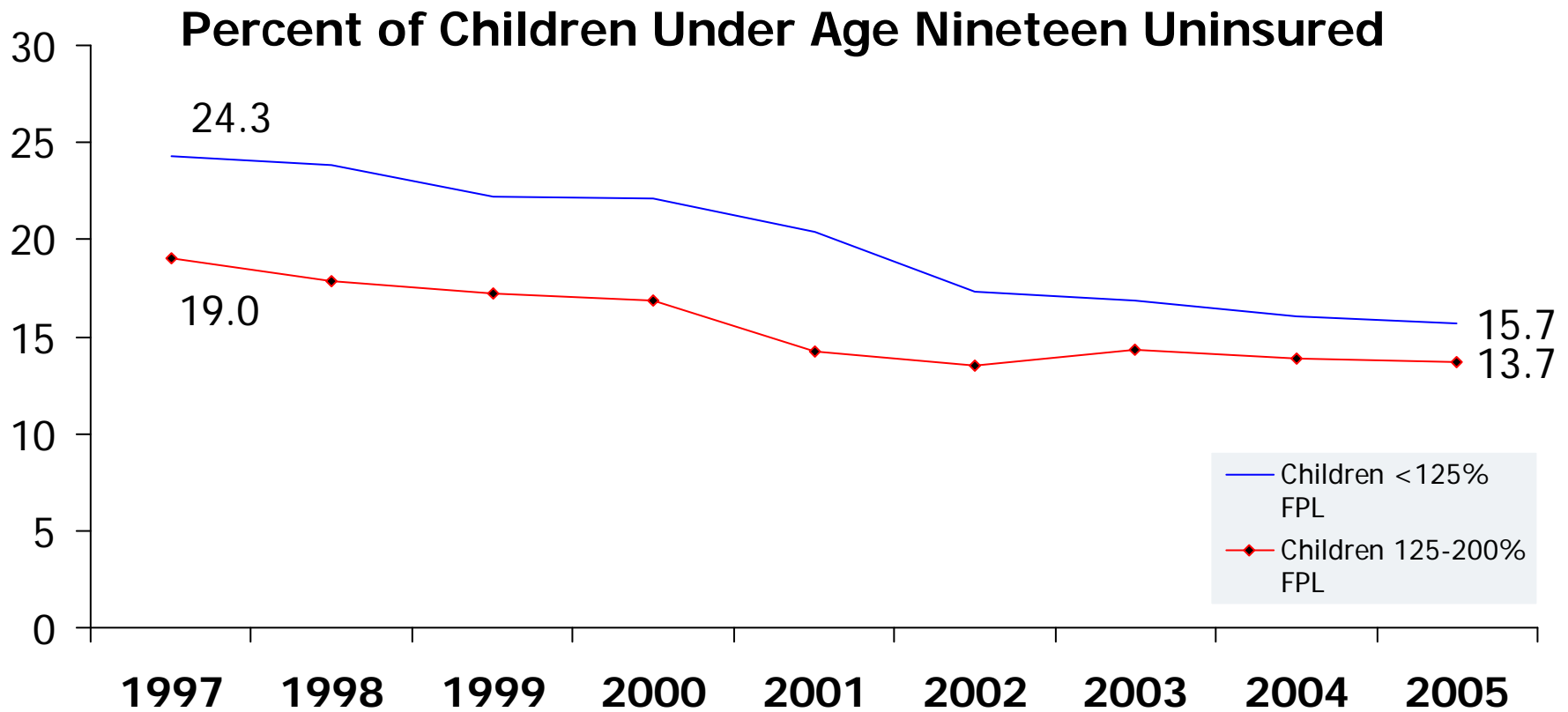
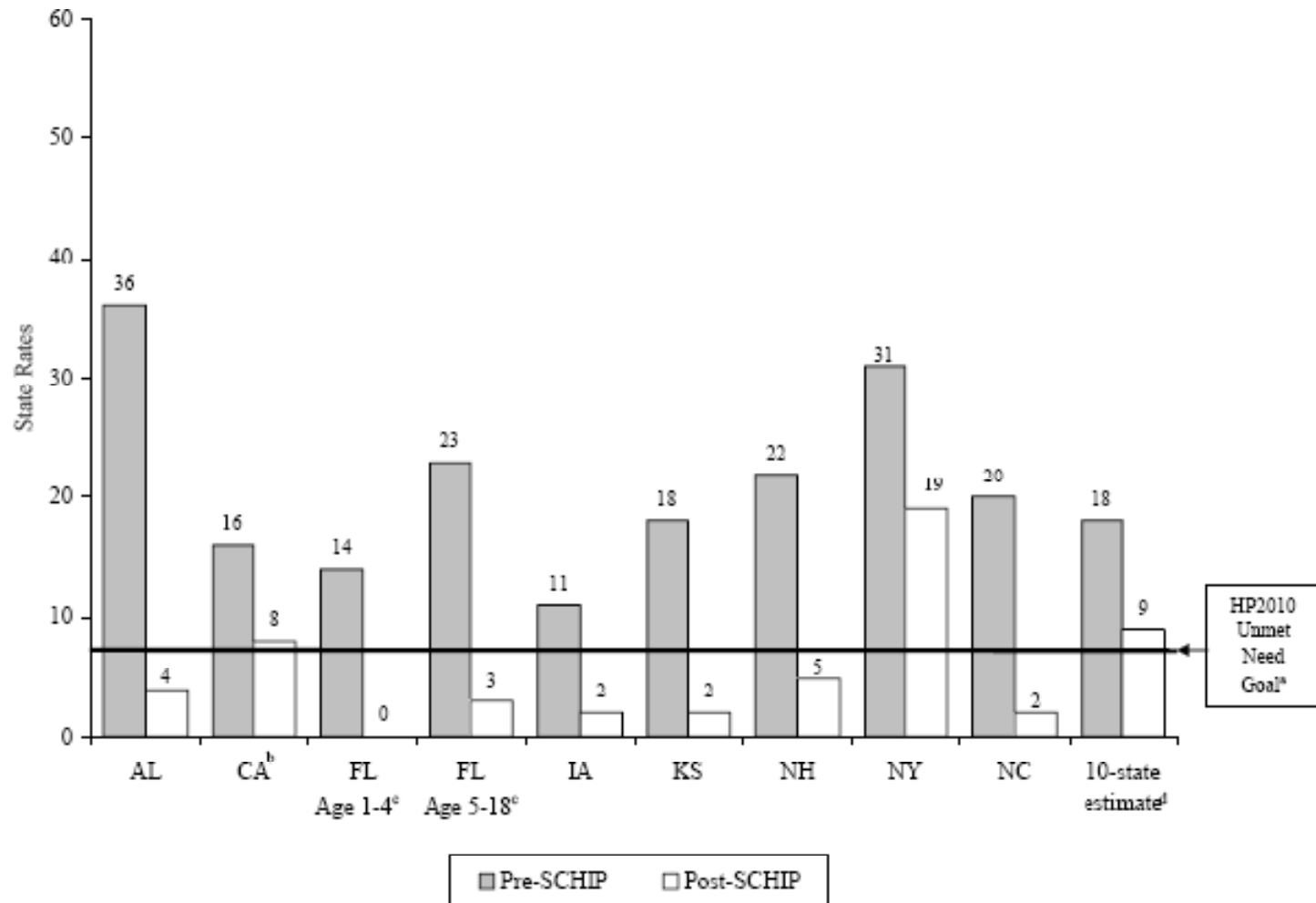


FIGURE IV.1

CHANGE IN PERCENTAGE OF CHILDREN WITH UNMET NEED PRE- AND POST-SCHIP, BY STATE



Source: "National Evaluation of the State Children's Health Insurance Program: A Decade of Expanding Coverage and Improving Access," Mathematica Policy Research, Inc., p. 79, 2007.

States have significant flexibility  
in SCHIP program design

# State Choices in Program Type

(as of June 2007)

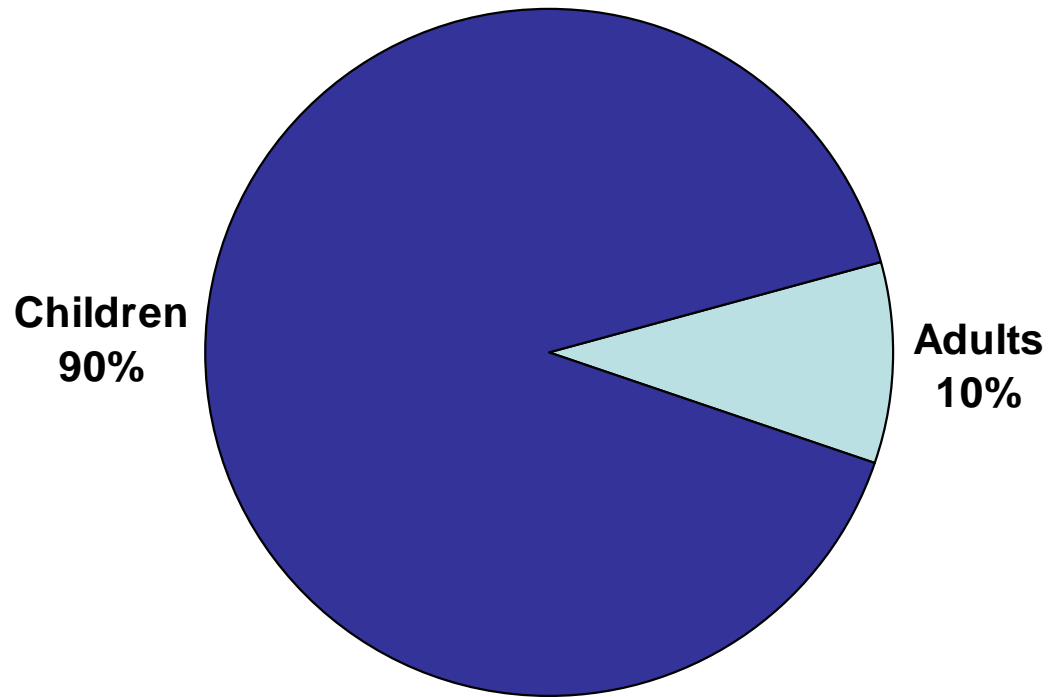
- M-SCHIP program (14 states)
  - All federal Medicaid rules apply
  - Can access Medicaid matching funds if spend beyond allotment
- S-SCHIP program (19 states)
  - SCHIP rules apply
  - Capped federal funding
- Combination (18 states)
  - States can implement both M-SCHIP and S-SCHIP programs

# Populations Covered

(Figures are for 2007)

- Children 18 and under is focus (all)
  - Up to 200% FPL or 50% points above Medicaid level at time of enactment; some states use disregards to go higher.
- Option to provide prenatal care to unborn children (10)
- States have received waivers to cover
  - Parents of children on Medicaid and SCHIP (9)
  - Pregnant women (6)
  - Childless adults (5)
- Congress mandated phasing out coverage of childless adults in DRA of 2005.

# Composition of SCHIP Enrollment, 2006



SOURCE: CMS SCHIP Enrollment Report, 2006

# State Options in Benefit Design

- Medicaid Expansions – Medicaid benefit package
- Separate programs
  - Benchmark benefit plans
    - State employee health plan
    - Blue Cross/Blue Shield Preferred Provider Plan offered to federal employees
    - Benefit plan with the largest enrollment offered by an HMO in the state
    - “Benchmark-equivalent,” based on actuarial value
  - Secretary approved

# Cost-Sharing Options

(Figures as of January 2008)

- Greater flexibility than in Medicaid
- Premiums/enrollment fees (34)
- Co-payments/co-insurance (23)
  - Preventative care and AI/AN exempt
- Nominal cost-sharing below 150% FPL
- Total out-of pocket costs for children cannot exceed 5% of family income

# Premiums Increase as Family Income Increases

Monthly Premiums for a family of three in Pennsylvania's SCHIP Program, as of March 2008

<b>Annual Income</b>	<b>Avg. Monthly Premium, per child</b>
\$35,201 - \$44,000	\$40
\$44,001 - \$48,400	\$56
\$48,401 - \$52,800	\$64
\$52,802 – no limit	\$161

# State Options in Delivery Systems

(Figures as of July 2005)

- **Contractor-based service delivery**
  - Managed care companies delivering comprehensive benefit package (26 programs)
  - Managed care companies delivering limited benefits (dental, vision, mental health) (15 programs)
  - Other contractors (5 programs)
- **Primary Care Case Management** (13 programs)
- **Fee-for-Service** (15 programs for some or all services)

# How Does SCHIP Differ from Medicaid?

- What you will hear: “Medicaid is an entitlement and SCHIP is a block grant.”

# How They Really Compare

## Medicaid

- Open-ended
- Matched
- Entitlement to individual
- Entitlement to states

## SCHIP

- Capped, allocated, and reallocated
- (Enhanced) matched
- No individual entitlement
- Entitlement to states

# SCHIP Reauthorization: SCHIP Directors' Principles

Developed by workgroup of SCHIP directors, discussed and approved at a meeting attended by most directors in 2007. Recently updated.

# SCHIP Directors' Principles

1. SCHIP funding should be renewed and increased substantially to provide sufficient and predictable funds for states to effectively manage programs and reduce the number of uninsured.
2. SCHIP and Medicaid play vital, complementary roles. *Each* program needs to be maintained and strengthened.

# SCHIP Directors' Principles

3. The progress that states have achieved in simplifying enrollment for children and families should be supported and not hampered by federal program requirements.
4. State flexibility in specific areas of program design has been an important component of SCHIP's success and should be supported and enhanced.

# SCHIP Directors' Principles

5. States should be supported in their efforts to improve program performance and promote access to quality care.