State History of CHIP

- State legislation in 1992 to establish program using state-only funds
- Program quickly reached capacity and waiting list established
- Federal legislation in 1997 (BBA) provided funding and PA’s plan was grandfathered
- State “Cover All Kids” legislation in 2006 provided for additional expansion
State History of CHIP (cont.)

- bi-partisan support from the beginning
- operated using a private insurance model and administered through the Insurance Department
- today, 10 insurers participate, providing choice for consumers in all 67 counties
- Governor Corbett signed program reauthorization on October 16th which eliminated six-month waiting period
Waiting Periods

- are designed to avoid dropping private coverage to join public program (crowd out)
- require a period of no insurance before qualifying for CHIP, with exceptions
- implemented with the PA expansion in 2006, requiring six month waiting periods for children in families with income greater than 200% (exception children under age 2)
Waiting Periods (cont.)

- in the context of the ACA, where all children are required to be insured, did not make sense
- the number of exceptions to having to serve a waiting period increased
- crowd out analysis provided no indication that families were dropping private coverage to enroll in CHIP
- confusing for families
- difficult and expensive to administer
Coverage Landscape

- 148,000 uninsured children today (about 5%)
- CHIP’s enrollment is 188,000, Medicaid about 6 times greater at over 1 million children
- both programs working together provide health care security for about 1.2 million children
- While Medicaid provides greater benefits, CHIP stronger networks
- CHIP is the engine that drives enrollment of children in both CHIP and Medicaid
Affordable Care Act

- Gov. Corbett, as then Attorney General, filed suit regarding constitutionality of individual mandate
- federally-facilitated marketplace state
- early MAGI for Medicaid, but not CHIP
- eligibility at marketplace for Medicaid, but not for CHIP
  - CHIP had waiting period until Oct. 16th
  - hardship option for state employees
ACA Issues and CHIP

- healthcare.gov functionality issues have moved the messaging to apply back to COMPASS
- two outstanding ACA issues and CHIP
- continued correspondence between governor and HHS Secretary Sebelius
  - movement of children between 100% and 133%, ages 6 to 19, to Medicaid
  - families purchasing CHIP at cost
Healthy PA vs. Medicaid Expansion

- Sept. 16, 2013 governor announced “Healthy PA” as an alternative to traditional Medicaid expansion
- will require HHS 1115 waiver approval
- no change to eligibility or benefits for children
- similarities to Arkansas and Iowa waivers
- reforms to Medicaid must be approved as a condition to provide coverage to low-income adults
If Reforms to Current Program are Approved, Healthy PA would

- purchase coverage on the marketplace using Medicaid dollars for newly eligible
- be important to covering more children since adults who are insured are more likely to insure their children
- Georgetown CCF estimates there are approximately 131,000 uninsured parents with income at or below 133% of poverty
- Children living in a household with an uninsured parent are 3 x more likely to be uninsured than if living with an insured parent
Current Status of Healthy PA

- announced publicly Sept. 16, 2013
- state administration met with HHS Sept. 23, 2013
- meeting weekly with HHS (mostly phone meetings, even during shutdown)
- currently accepting comments on concept paper
- anticipate submitting waiver to HHS late 2013/early 2014
- no specific timeline for implementation, but indicate that discussions are going well
Coverage Options as of Jan. 1, 2013

Pennsylvania Coverage Landscape in 2014

FPL

- Federally Unsubsidized
- Federally Subsidized

300%

185%

133%

100%

0%

- Children
- Pregnant Women
- Working Parents
- Jobless Parents
- Childless Adults

Medicaid/CHIP

58%

25%
CHIP Considerations

- CHIP is working, not the time to discard it
- States like PA feel invested in CHIP
- Additional enhanced FFP (+23%) begins Oct. 1, 2015
- In combination with Medicaid, provides health security to over 1.2 million children in PA
- Offers protection with regards to “family glitch”
- CHIP’s success in PA positions it well as we try to reduce the number of uninsured children.
Questions?

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