The State Children’s Health Insurance Program

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SCHIP Today

• Block grant funding to states
• “Enhanced” match
  • Average state contribution is 30% compared to 43% for Medicaid
• Covers children with incomes too high to qualify for Medicaid
• No entitlement to children
• States have considerable discretion re: benefits & cost sharing
Trends in the Coverage Rate of Low-Income Children, 1997-2006

Source: Johns Hopkins University Bloomberg School of Public Health analysis of the National Health Interview Survey for the Center for Children and Families (March 1, 2008).
Since 2006, New Wave of Activity

- 22 states have enacted eligibility expansions in SCHIP/Medicaid
- Many have also adopted procedural changes to improve participation rates
- Activity slowed but did not stop in 2008.
- 2009 ?
Eligibility Levels
January 2009


Note: States with asterisks (*) have enacted, but not yet implemented to the levels shown.
SCHIP Reauthorization

• Passed in House 289-139 on January 14th (HR 2)
  – Four and a half-year reauthorization
  – Coverage for 4 million additional children
  – $32.3 billion in new funding; new financing structure
  – New enrollment options and incentives
  – Improved quality and access to benefits
  – Allows states to cover legal immigrant children in country < 5 years

• Similar bill adopted in Committee in Senate
Allotments Over Time

## Covering Moderate Income Children Boosts Participation of Low-income Children

<table>
<thead>
<tr>
<th>STATE</th>
<th>Total New Enrollment</th>
<th>Previously Eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>244,700</td>
<td>165,600 (68%)</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>51,000</td>
<td>32,750 (64%)</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>19,000</td>
<td>11,000 (59%)</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>49,108</td>
<td>40,881 (83%)</td>
</tr>
</tbody>
</table>

*Data from November 2005 - June 2008*

*Data from June 2006 - June 2008*

*Data from February 2007 - June 2008*

*Data from February 2008 - May 2008*

Source: Center for Children and Families, "Putting Out the Welcome Mat: Implications of Coverage Expansions for Already-Eligible Children" (September 9, 2008).
Sources of Coverage for Children

Children under 19

- ESI: 55.3%
- Medicaid/SCHIP: 27.6%
- Individual Coverage: 11.3%
- Other Public: 4.4%
- Uninsured: 1.4%

Children Currently Eligible but Unenrolled

9 Million Uninsured Children

- 4.4 Million are Eligible for Medicaid
- 1.7 Million are Eligible for SCHIP

Should SCHIP be Retained?
Key Questions

• Does it make sense to have a different subsidy mechanism for children and parents/others at moderate income levels?
• But what are the essential differences between SCHIP and a new publicly funded subsidy of private coverage?
Should SCHIP be Retained?
Key Questions

• If SCHIP is replaced by a federal subsidy, what happens to the state funding?
  – Under CBO projections for SCHIP reauthorization, states will spend $9.7 billion for SCHIP coverage over next 5 years

• Given the variations and complexities, how do policymakers draw the line?
SCHIP Eligibility Build on Medicaid

Minimum Medicaid Eligibility

100% 133% 200% 300% 400%

Age

1 6 12 18

SCHIP
Reality Not That Simple

• 41 states have Medicaid eligibility levels above the minimum standard for some or all children
  – 26 have Medicaid eligibility levels above minimums for children over age 1
• 33 states use some or all of their SCHIP funds in Medicaid
• 10 states cover parents of SCHIP-financed children in Medicaid
Don’t Forget the Politics

Governor Huntsman (R-UT) celebrating the 10th Anniversary of SCHIP (August 21, 2008)
Key Issues to Address If SCHIP is Retained

- Financing
- Enrollment guarantee
- Integration with family coverage and private coverage (questions arise with or without SCHIP)
- Underinsured children
- Provider payments/access
Proposals

Obama plan maintains Medicaid and SCHIP, but no details.

Baucus plan maintains Medicaid and requires states to cover children in SCHIP up to 250% of FPL; higher levels permitted.
Key Issues for Children

• Financing needs to be guaranteed, predictable
• No barriers to enrollment/retention
• Coordination essential
  – Within families
  – As family circumstances change
• A benefit package designed for children and their unique developmental needs
• High quality care with access to needed providers