

State Children's Health Insurance Program: Impact on Indian Child Health

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- Committee on Native American Child Health, American Academy of Pediatrics
- Briefing March 12, 2007



State Children's Health Insurance Program (SCHIP)

Initiated October 1997

Title XXI of the Social Security Act
(PL 105-33, August 5, 1997)





SCHIP Basics

- Grants to states to provide health insurance coverage for uninsured children up to 200% of federal poverty level (FPL)
 - Or 50% higher FPL than is covered by states Medicaid program
- Largest expansion of spending for children's healthcare since Medicaid



SCHIP Eligibility

- Children and adolescents that do not qualify for Medicaid
- Under 19 years of age
- Under 200% of FPL
 - 50% higher if state covers 150% or more of FPL
 - 200% of FPL = \$2,767 per month (\$33,200/yr) for a family of 3 (2006)
- States must maintain present Medicaid eligibility and maintain same spending on other child health programs



SCHIP Program Structure

- States can use funds to:
 - Expand Medicaid
 - Expand existing or create new state program
 - An SCHIP program
 - Combination of both



SCHIP Benefits Package

- Medicaid expansion must have same benefit package
- SCHIP program must have one of the following benefit packages:
 - Blue Cross/Blue Shield federal employee plan
 - State employee plan
 - HMO plan with largest non Medicaid enrollment
 - Actuarial equivalent coverage
 - Another package approved by the Secretary



Who benefits from these benefits?



Medicaid vs. SCHIP

- Medicaid
 - SCHIP
- | | |
|---|----------------------------|
| 1. Entitlement | 1. Grant/Allotment |
| 2. EPSDT | 2. No EPSDT |
| 3. Covers at least 100% FPL | 3. Above Medicaid Coverage |
| 4. Limited cost sharing under age of 18 | 4. Allows cost sharing |

What is EPSDT?

- Early Periodic Screening, Diagnosis and Treatment
- It is the Medicaid benefit package up to age 21
- Assures availability and accessibility of required health care resources and helps Medicaid recipients effectively use these resources



What is EPSDT?

- Covers broad range of screening and treatment services including:
 - periodic comprehensive health and developmental histories and physical exams
 - appropriate immunizations, laboratory tests, and health education
 - physical and mental health therapies
 - dental, vision and hearing services
 - other necessary health care
 - personal care services
 - durable medical equipment





SCHIP Cost Sharing

- No co-payments for pediatric preventative care or immunizations
- No cost sharing for American Indian/Alaska Native children who are members of a federally recognized Tribe

SCHIP Cost Sharing

- At or below 150% of FPL
 - Premiums: not exceed \$19 per family per month
 - Deductibles: not exceed \$2-3 per family per month
 - Co-payments: not exceed \$3-5 per service
- Above 150% FPL
 - States can impose cost sharing on a sliding scale not to exceed 5% of family's income



SCHIP Funding

- \$40 billion in federal funds over 10 years 1997-2007
- Amount of state allotment factors
 - number of low income children
 - number of uninsured low income children
 - a state cost factor based on wages in the healthcare industry
- Annual allotment must be spent in 3 years or may be redistributed



SCHIP State Matching

- States must provide matching funds
- Federal match = 30% greater than the states Federal Medical Assistance Percentage (FMAP)
 - FMAP based on states per capita income
- Maximum federal match is 85%
 - average 57%-Medicaid, 70%-SCHIP
- If expanding Medicaid match is same for expansion



SCHIP Now

- 18 states separate SCHIP program
- 11 states and DC expanded Medicaid
- 21 states have combination
- SCHIP programs are very diverse
- In 2005 SCHIP covered approx 6.1 million low income children

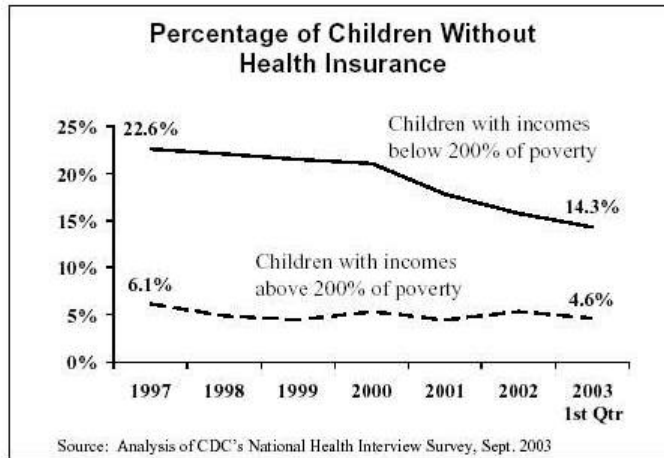


SCHIP Now

- 41 states cover children $\geq 200\%$ FPL, 7 states $\geq 300\%$
- 39 states have some cost sharing
- SCHIP waivers- 8 states cover parents, 11 states cover pregnant women, 4 states cover childless adults



SCHIP Benefits



SCHIP Benefits

- Decrease in uninsured low income children by 1/3 1997-2005
 - half Medicaid, half SCHIP
- Studies show improved health related quality of life
- Medicaid and SCHIP:
 - Improve physician and dental access
 - Increase primary care
 - Lead to less unmet health needs
 - Decrease parental anxiety about health needs

SCHIP Challenges

- 9+ million children remain uninsured
- 6+ million or 7/10 uninsured children eligible for Medicaid or SCHIP
- 2+ million children eligible for SCHIP
- Most eligible SCHIP children from working families and are employed in small firms



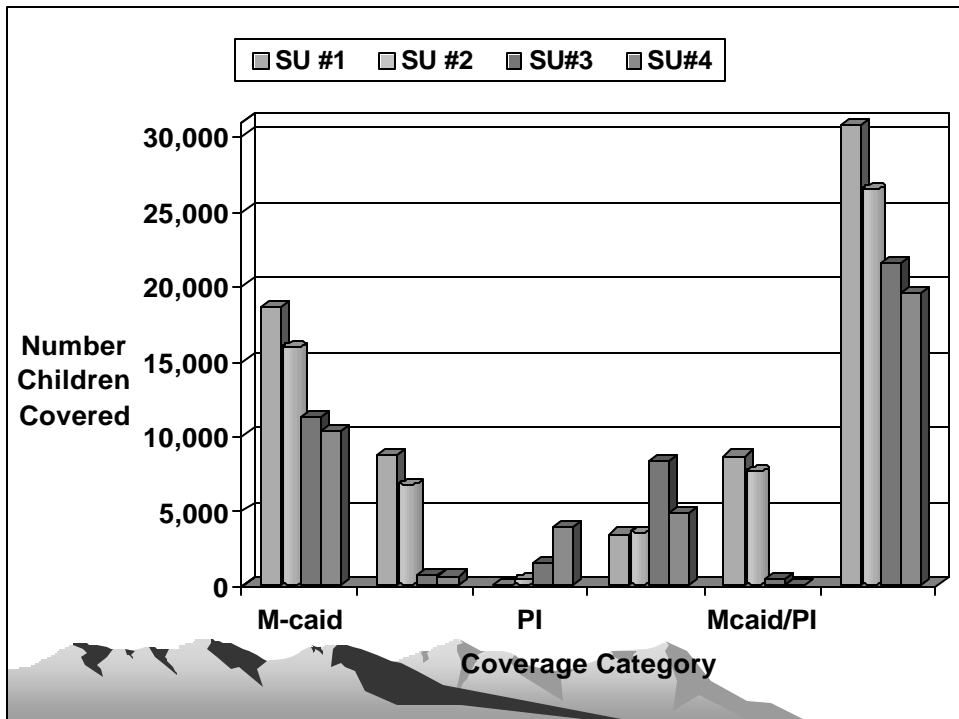
SCHIP and Indian Country

- 27% if AI/AN children are uninsured
 - Over double the U.S. rate - 11.7%
- Studies show non-white children are more likely to be uninsured than white
- Majority of uninsured children are in the South and West
- 7 of the 10 states with highest rates of uninsured children have substantial AN/AN populations
- 4 of the 10 states above have the highest AI/AN populations in the U.S.

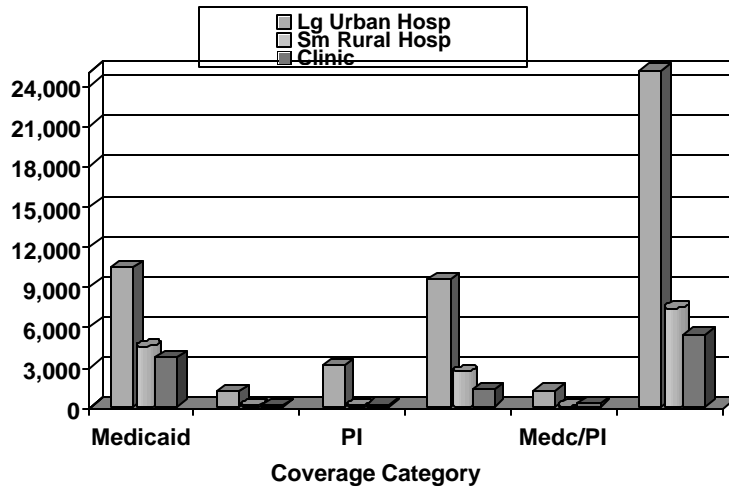


SCHIP and Indian Health Service

- Limited AN/AN specific SCHIP data
- Large variability in SCHIP enrollment between Service Units and States
- Service Units with higher SCHIP also with higher Private Insurance/Medicaid enrollment



0-19 Year Old Coverage Single Area-3 sites



SCHIP Reauthorization Issues

- Funding
- Federal matching
- Eligibility
- Enrollment
- Cost sharing
- Benefit package
- Quality Monitoring

SCHIP Reauthorization Issues

- \$5 billion additional funds in Administration's budget
- Estimated need \$13-15 billion over current to maintain current SCHIP enrollment
 - Projected to have 14-17 states to have SCHIP funding shortfalls in 2007
 - Does not include the 2+ million eligible children
 - Asking \$60 billion additional



SCHIP Reauthorization Issues

- Outreach is critical to enrollment
 - This is evident in variability from state to state and IHS site to site
- Enrollment/eligibility
 - Simplification/coordination has shown to improve - joint application for Medicaid and SCHIP, removing asset test, eliminating face to face interview, 12 month continuous eligibility, self declaration of income, electronic data
 - Citizenship documentation shown to limit enrollment



SCHIP Reauthorization Issues

- Cost sharing can limit participation
- Enrollment of parents and families
 - Studies show children are more likely to be enrolled when families qualify for coverage
- Benefit package determines adequacy of care
 - Medicaid has proven track record
 - Important to monitor quality



SCHIP Reauthorization Issues for Indian Country

- AI/AN Medicaid/SCHIP funding is fraction of CMS budget
 - Indian health comprises about one-tenth of one percent of the CMS budget
- Collections for Indian health Tribal, IHS, and Urban sites are critical to continued services
 - Past 2 decades increase in IHS budget less than inflation (does not include population growth and medical inflation)
 - IHS funding (budget and collections) is not enough to meet health needs – some estimate 50% level of need
 - Indian health sites dependant on 100% FMAP



SCHIP Reauthorization Recommendations

- Fund Adequately
 - Provide \$60B in new funds over five years
 - Support mature programs
 - Cover 6 million eligible
 - Support growth in program and inflation
- Improve outreach
 - Multiple locations to apply, incentives, aggressive marketing



SCHIP Reauthorization Recommendations

- Expand Eligibility
 - Citizenship documentation
- Simplify enrollment
 - Fast lane, decrease waiting period, same form for Medicaid and SCHIP, shorter form, electronic application, coordinate application across agencies, mail in form
- Encourage maintained enrollment
 - Continuous eligibility, yearly determinations, limit cost sharing



SCHIP Reauthorization Additional for AI/AN

- Aggressive effort should be made to document nationally the number of AI/AN children in SCHIP
- Support CMS tribal office
 - Especially efforts to better track number of AI/AN children in SCHIP, Medicaid and uninsured
- Maintain 100% FMAP for Medicaid recipients receiving care in Tribal or IHS facilities
- Increase FMAP to 100% for Urban Centers
- Support 100% FMAP for all AI/AN children enrolled in any federal program

SCHIP Reauthorization Additional for AI/AN

- AI/AN Medicaid beneficiaries should remain exempt from premiums and co-pays
 - Consider expansion to all federal programs
- Consider increasing SCHIP match for AI/AN children receiving care in Tribal or IHS facilities
- Support tribal enrollment cards as documentation for Medicaid and SCHIP





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