Children's Health Insurance Program

2009 Annual Report
to the Legislature

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2009 Children's Health Insurance Program Annual Report

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2009 Children's Health Insurance Program Annual Report

Executive Summary

The Pennsylvania Insurance Department's health insurance mission is to protect and educate Pennsylvanians by enforcing insurance laws and providing access to quality health care. As part of our mission, the Department is committed to providing access to health insurance to all eligible uninsured children and teens.

Pennsylvania's Children's Health Insurance Program (CHIP) has long been acknowledged as a national model, receiving specific recognition in the Federal Balanced Budget Act of 1997 as one of only three child health insurance programs that met Congressional specifications. Pennsylvania's CHIP was established through passage of Act 113 of 1992, reenacted as an amendment to The Insurance Company Law of 1921 by Act 68 of 1998, and amended by Act 136 of 2006 (the Act).

Although Pennsylvania has one of the highest rates of health insurance coverage for children in the country, a 2004 health insurance status survey commissioned by the Insurance Department (the Department) determined that 133,600 children, or about 4.0% of the population in Pennsylvania, were uninsured. Some of those children already qualified for publicly funded health insurance coverage, including the Medical Assistance (MA) Program and the free and subsidized CHIP as it existed at that time. Others were children of working parents who were not eligible for the publicly subsidized programs due to income limits, but were unable to afford private insurance. In early 2007, after passage of Act 136 of 2006, Pennsylvania received approval from the federal government to expand eligibility for CHIP as part of its *Cover All Kids* initiative, and in March 2007 the new eligibility guidelines were implemented.

In calendar year 2008, a second health insurance status survey determined that approximately 138,500 children in Pennsylvania, or about 4.6% of the population, were without health insurance coverage. While the number and percentage of uninsured children increased from the survey conducted in 2004, it should be noted that a higher number of households was surveyed in 2008 as compared to 2004. Further, as a result of the *Cover All Kids* initiative, the number of children covered by CHIP has increased. The health insurance status survey was not repeated in 2009.

To see the full results of the 2004 and 2008 Health Insurance Status Surveys, please visit www.chipcoverspakids.com and click on "CHIP Resources," then "Resources for Advocates, Legislators, and Media" and then "Research Reports."

In February 2009, the federal Children's Health Insurance Program Reauthorization Act (CHIPRA) was enacted. CHIPRA reauthorized the federal program, added mechanisms for federal funding, and established a number of new program requirements. Federal funding pays for about two-thirds of the total cost of Pennsylvania CHIP. Without the reauthorization of CHIP, Pennsylvania would have needed to cut current CHIP enrollment by two-thirds. Under CHIPRA, Pennsylvania's federal funds allotment was substantially increased through 2013.

The CHIPRA program requirements that received the most attention were:

- Mental Health Parity
- Citizenship and Identity Verification
- Express Lane Eligibility and Administrative Simplifications
- Choice of Managed Care Organizations
- Minimum payments to Federally Qualified Health Centers and Rural Health Centers
- Provision of Information about Dental Providers on the Insure Kids Now Web site

Calendar year 2009 afforded the Department many opportunities to work with advocates, insurers, community partners, legislators, and other stakeholders to make health insurance available and accessible to Pennsylvania's uninsured children and to begin the processes necessary to comply with CHIPRA. It was the second full calendar year in which the *Cover All Kids* expansion to eligibility was in effect.

Services

Primary services funded for the year were those directed by Section 2311(*l*)(6) of the Act and include:

- Preventive care;
- Specialist care;
- Autism services, not to exceed $36,000 annual benefit cap;
- Diagnosis and treatment of illness or injury;
- Laboratory/pathology testing;
- X-rays;
- Injections and medications;
- Emergency care, including emergency transportation;
- Prescription drugs;
- Emergency, preventive and routine dental care;
- Emergency, preventive and routine vision care;
- Emergency, preventive and routine hearing care; and
- Inpatient hospital care (90 days including mental health).

Ancillary medically necessary and therapeutic services include mental health services, inpatient and outpatient treatment of substance abuse, rehabilitative therapies, medical therapies, home health care, durable medical equipment, and maternity care.

Eligibility

In addition to income guidelines designated in detail in Attachment 1 (Income Guidelines), eligibility for CHIP is determined on the basis of several simple factors:

- Age of the child (up to age 19);
- Citizenship status (must be U.S. citizen or lawfully admitted alien);
- Pennsylvania resident;
- Not eligible for MA;
- Not currently covered through employer-based or private health care coverage;
- Families whose incomes fall in the low-cost and full-cost CHIP ranges must also show that their children have been uninsured for six months unless their children are under age two, have lost health insurance because a parent lost a job, or are moving from another public health insurance program; and
- For families whose incomes fall in the full-cost CHIP range, comparable insurance must be either unavailable or unaffordable.

Costs and Contributions

CHIP continues to provide identical, comprehensive benefits to individuals enrolled in the varied components of the program, which are based upon adjusted gross household income. These include the free, low-cost, and full-cost components, which are illustrated in Attachment 1.

Premiums and co-payments are charged on a sliding scale basis as determined by adjusted gross household income.

The free component covers children in families with an adjusted gross household income no greater than 200% of federal poverty guidelines. Federal financial participation is received toward the cost of this coverage. There are no premiums and no co-payments collected for enrollees in this group.

The low-cost component covers children in families with an adjusted gross household income greater than 200% but no greater than 300% of the federal poverty guidelines. Federal financial participation is received toward the expense of this low-cost coverage. The parent or guardian is required to pay a modest monthly premium directly to the insurance contractor. These premiums are charged on a sliding scale based upon adjusted gross household income. Enrollment in low-cost CHIP is divided into three increments with progressively increasing premiums, as follows:

- Greater than 200% but no greater than 250% - 25% of the per member per month (PMPM) cost. The average cost to the enrollee in 2009 was $43.18.
- Greater than 250% but no greater than 275% - 35% of PMPM cost. The average cost to the enrollee in 2009 was $60.46.
- Greater than 275% but no greater than 300% - 40% of PMPM cost. The average cost to the enrollee in 2009 was $69.10.

In addition, children in the low-cost component are charged point-of-service co-payments as follows:

- Primary care visits $5
- Specialists $10
- Emergency care $25 (waived if admitted)
- Prescriptions - $6 for generic and $9 for brand names

There are no co-payments for well-baby visits, well-child visits, immunizations, or emergency care that results in an admission. Co-payments are limited to physical health and do not include routine preventive and diagnostic dental services or vision services. Cost sharing, the combination of premiums and point of service co-payments, is capped at 5% of household income.

The third component, full-cost CHIP, is for children in families with adjusted gross household income greater than 300% of the FPL, if private insurance is unaffordable or inaccessible. Families can buy into coverage at 100% of the cost negotiated with each of the ten health insurance contractors. The average premium as of December 2009 was $196.91. No federal or state dollars are used to provide coverage for families in this full-cost group. In addition, children in families with adjusted gross income greater than 300% FPL are charged point-of-service co-payments as follows:

- Primary care visits $15
- Specialists $25

- Emergency care $50 (waived if admitted)
- Prescriptions - $10 for generic and $18 for brand names

Insurers

Beginning February 1, 2009, the Department administered CHIP through ten health insurance contractors, with at least two contractors offering coverage in every county of the Commonwealth. The following ten health insurers are now providing managed care coverage for children in CHIP under contracts effective on February 1, 2009 that will terminate November 30, 2011:

- Aetna
- AmeriChoice
- Blue Cross of Northeastern Pennsylvania (coverage provided by First Priority Health HMO)
- Capital BlueCross (coverage provided by Keystone Health Plan Central HMO)
- Geisinger Health Plan
- Health Partners of Philadelphia, Inc.
- Highmark Inc. (coverage provided by Keystone Health Plan West HMO in the western part of the state and Premier BlueShield PPO in the central part of the state)
- Independence Blue Cross (coverage provided by Keystone Health Plan East HMO)
- Unison Family Health Plan of Pennsylvania, Inc.
- UPMC Health Plan

Outreach

This year's outreach efforts focused on mobilizing CHIP champions, expanding community touch points and making connections with those in need during tough economic times.

We expanded our Community Marketing Initiative (CMI). This community-based, grassroots initiative enables CHIP to leverage existing relationships of trust that community partners have established. Thirty-four (34) grassroots organizations submitted marketing plans. Eighteen groups, representing diverse social, health and religious organizations throughout the state were chosen to receive CMI funding. They have woven CHIP promotions and enrollments into the fabric of their existing outreach efforts within their own communities.

Last year, CHIP developed an electronic toolkit for the Web site. This year, many groups reported using collateral materials, news release templates, newsletter articles, and flyer templates contained in this e-feature, and some groups even offered ideas to be considered in the future. Additionally, staff members of the Pennsylvania General Assembly were trained in the use of the tool kit, thus providing ease of access to a range of information that will assist their constituents.

Renewal Notices: In 2009, CHIP worked to further standardize its renewal notice to clarify that there are three ways to renew benefits (paper renewal application; over the phone; and online). This update to renewal letters was implemented to try to reduce the number of enrollees churning in and out of the program due to not renewing existing CHIP benefits.

School Notices: CHIP continued its partnership with the Department of Education by sending out CHIP flyers to all public schools statewide (2.2 million flyers). We also focused on how to be better connected to educators, administrators, guidance counselors, social workers and school nurses. We called every school district in the state to find out what sort of communications they use with families and how best to piggyback those materials and communiqués. You may now find the CHIP message and links to the CHIP Web site posted on numerous school Web sites across the state.

CHIP Web site: CHIP launched the Spanish iteration of www.CHIPcoverspakids.com which is www.chipysusalud.com. As part of the launch of the new version of the site, CHIP created a partnership with the Philadelphia Dominican Bodega Owners Association to better connect CHIP with touch points in the Latino community. Bodegas, located in the lower northern part of Philadelphia, distributed CHIP informational resources that featured the Web address of the new CHIP Spanish Web site.

We also improved administrative functionality of our English Web site. We did a soft launch in early April and continued to make modifications as we tested it with various audiences. Later in the year, we added a "LiveChat" feature to the site which is integrated with the services of the statewide helpline.

Cover the Uninsured Week: In coordination with the Robert Wood Johnson (RWJ) national effort, Pennsylvania continued its statewide outreach efforts during "Cover the Uninsured Week" in April 2009. CHIP utilized this week to focus delivery of the CHIP message to parents of uninsured children – or people who know someone who needs CHIP coverage for their family. This objective was especially relevant given the current economic situation. It is well documented that in this economy, families are turning to free and low-cost attractions and activities in increased frequency, including libraries and museums. That makes those places -- especially in counties with high numbers of uninsured children -- purposeful venues in which to reach families who need health insurance for their children – or those who may know people who are in need.

Target Counties

- **Lancaster** (12.5 percent of children uninsured; 16,301 total children uninsured)
- **Delaware** (6.4 percent of children uninsured; 9,362 total children uninsured)
- **Bedford** (15.9 percent of children uninsured; 1,771 total children uninsured)
- **Armstrong** (10.6 percent of children uninsured; 1,590 total children uninsured)

Tactics

- **Library Partnership**
    - We engaged library officials in each of the four target counties to secure CHIP activities during Cover the Uninsured Week. We implemented initiatives such as:

- CHIP Story Time featuring a book about healthy kids
- CHIP-themed kids' craft class
- CHIP contractor presence at select locations
- Making applications/brochures available at circulation desks
- Providing CHIP talking points for library staff
- Distributing "Here to Help" palm cards at library desks

- **Radio Media Tour**

  - We slated a statewide radio media tour to talk about CHIP and also to encompass additional Commonwealth programs and services.

COMPASS: Commonwealth of Pennsylvania Access to Social Services (COMPASS), the Web-based application and renewal system (www.COMPASS.state.pa.us), underwent an extensive graphical redesign and the new look was launched in June 2008. In the first four months, the site saw a 63-percent increase in the number of users. Based on those results, CHIP staff worked together with the Department Public Welfare in 2009 to further improve the COMPASS Web site by tackling the project of simplifying the online application. The two departments also sought input from advocacy community partners, COMPASS Community Partners (community organizations who assist citizens with the application/renewal process using COMPASS and the largest daily users of COMPASS), and Pennsylvania citizens at several points during the year-long project. It is anticipated that the updated COMPASS Web site will go-live in 2010.

Out-of-a-Job Flyers: These pieces, with the theme, "While you are looking for a job, your kids don't have to be without health insurance" were designed to be used at job fairs, temporary/employment agencies, and at Rapid Response events hosted by the Department of Labor & Industry for employers who are downsizing and/or closing.

Health Insurance Underwriters: The Central PA Association of Health Underwriters sponsored a Health Insurance Help Day and invited CHIP to participate as a partner in the event. The day was created as a public/private partnership to provide citizens with a wide variety of valuable informational resources on health insurance, as well as assist with any other health and human service needs they may have. Prior to the public event, CHIP met with and provided an educational presentation and materials to health insurance underwriters.

Mother's Day Promotion: Nearly 20,000 mother's day cards, customized with the CHIP message and contact information, were distributed to Pennsylvania charter schools, after-school centers and early elementary daycare centers.

Here-to-Help Public Service Spot and Collateral: The Governor's Office created a one-stop Web site to promote and offer all the Commonwealth services that assist Pennsylvanians in tough economic times (www.heretohelp.PA.gov). CHIP is featured on the site and has used its marketing resources to create awareness of the Web site and available services.

Pennsylvania Farm Show: CHIP sponsored a Farm Show booth again in January 2009. Information was distributed and application assistance was provided to families. More than 500,000 citizens attended the 10-day Farm Show event.

TV Advertising: CHIP TV advertising was stopped in calendar year 2009, due to budget constraints. In the alternative, CHIP implemented a number of other strategies to reach uninsured Pennsylvania families.

- CHIP's Web-based search engine advertising continued to be an excellent driver to the CHIP Web site and also to the Helpline. Callers to the Helpline consistently cited the CHIP Web site as the number one reason they called to apply for or inquire more about CHIP in 2009. Online Google search engine searches for CHIP ranked in the top 10 reasons that people called the Helpline.

- CHIP and its insurance contractors' outreach staff continued daily grassroots outreach, focusing on venues where folks could take the next step and enroll, such as schools, health fairs, libraries, hospitals, and community events. Insurance company contractors also conducted their own marketing and outreach campaigns in their service areas, further adding to a strong, consistent CHIP message statewide.

- Word of mouth via friends and family consistently ranked as a major source of information and referrals to the CHIP Helpline. Many families learn about and apply for the CHIP program based on the valued and trusted information provided to them from friends and family. To that end, CHIP continued its informal "tell a friend or family member" campaign over the last year to keep those referrals coming.

    - CHIP offers three ways to apply and renew for the program:
        i. Online via COMPASS, the Commonwealth of Pennsylvania's Web Access to Health and Human Services – a one-stop shop where citizens can apply for many social service programs with one application;
        ii. By paper application; and
        iii. Over the phone through the CHIP Helpline.

Helpline – Connecting Citizens with CHIP and Tracking Progress

The Commonwealth continues to work with Policy Studies Inc. (PSI) to manage Pennsylvania's Health and Human Services Call Center. The integrated call center supports nine statewide health and human service information and referral help lines for five state agencies, which provides a "one-stop-shop" for most of Pennsylvania's social services. PSI specialists are cross-trained to handle calls from each of the help lines to maximize resources and offer the full range of available social services and information to citizens on one call.

Helpline staff is also trained to identify uninsured callers and offer information about programs such as CHIP and MA. Most importantly, PSI provides application assistance to callers by giving them the option to receive a paper application, apply or renew over the

phone with the assistance of a Helpline counselor, or receive the COMPASS Web site address to apply or renew on their own over the Internet.

Live Chat: The call center also participated in a CHIP television WebChat event in the Philadelphia area in December 2008. The event proved to be successful, which led the call center to start its own live WebChat function, connecting to the CHIP Web site in 2009. Pennsylvanians can now visit the CHIP Web site and select to "chat" online with a Helpline representative during normal business hours. Helpline representatives can answer questions a Web user might have concerning the helpline service.

TTY: The Commonwealth is sensitive to the needs of hearing-impaired callers and offers a TTY telephone line for the CHIP Helpline, and requires that all of its contractors utilize the same service for their hearing impaired callers. Using the TTY line, the Helpline communicates with the hearing impaired by typing our responses which are then displayed on the caller's phone. E-mail and live WebChat are also available as communication channels for hearing impaired callers.

30-Day Renewal Outreach: The Helpline made over 2,500 outbound telephone calls a month to families who did not complete renewal applications after receiving three notices from CHIP. Helpline representatives offered renewal assistance over the phone (using COMPASS) and provided reminders to families to mail back their renewal applications.

Interagency Initiatives

The nationally recognized Reaching Out Interagency Workgroup continues to reach uninsured children in Pennsylvania. Through this effort, many excellent outreach ideas continue to be exchanged and valuable information shared, which CHIP incorporates into its strategic outreach and marketing planning. Consumer advocates are viewed as important contributors in the development of new outreach and enrollment strategies and their input is regularly sought by CHIP staff.

We find that a multi-pronged marketing and outreach approach is a very effective best practice in reaching Pennsylvania's citizens with CHIP's message. In 2009, CHIP continued to utilize valuable data provided by the CHIP Helpline to measure how callers heard about CHIP. The data showed that the CHIP Web site, County Assistance Offices, TV ads, Web search engines (such as Google), and word of mouth referrals from friends, neighbors and family members reached the broadest audience. Flyers distributed through schools drew the most CHIP calls overall in the shortest amount of time. Overall, we continue to find that word of mouth strongly fuels citizen awareness of the program, and so we encourage citizens to tell family, friends, co-workers, and neighbors about the program. The results of this message are reflected in call volumes to the CHIP Helpline.

We have found that having a multi-agency, multi-program call center is a very effective best practice in assisting citizens with various social service needs that they may or may not be aware are available to them. Helpline specialists from the Pennsylvania Health and Human Services Call Center can connect individuals and families seeking information and referrals to human services in a single call and in any language. For example, a family can call the

Helpline to learn about CHIP coverage, receive referral information for their child who has special needs, learn about services in Pennsylvania for an aging parent, and get information for a relative who has experienced a brain injury, all in one call.

CMS CHIP/Medical Assistance Outreach and Enrollment Grant Awardees

As called for in CHIPRA, federal grants were awarded by CMS to applicants whose outreach, enrollment, and retention efforts will target geographic areas with high rates of eligible but uninsured children, particularly those with racial and ethnic minority groups who are uninsured at higher-than-average rates.

In September 2009, CMS awarded $40 million in outreach and enrollment grants to 69 grantees in 41 states and the District of Columbia to help them find and enroll children who are uninsured but eligible for either MA or CHIP. Two organizations in Pennsylvania were awarded grants totaling almost $500,000:

- $299,750 has been granted to the Consumer Health Coalition (CHC), who will partner with the Birth Circle and the Squirrel Hill Health Center as well as their other numerous community partners to identify and help enroll uninsured children in Allegheny, Butler, and Indiana counties in CHIP and MA.
- $200,000 has been granted to Concern for Health Options: Information, Education and Care (CHOICE), to implement a two-pronged community-based CHIP education and enrollment program using its Hotline Services and community-based recruitment designed to increase awareness of CHIP, facilitate enrollment and retention, and provide trouble-shooting and necessary follow-up services to citizens in the five-county southeast Pennsylvania area.

Enrollment

Projected Number of Eligible Children

The average enrollment for the calendar year 2009 was 192,858. Enrollment reached an unprecedented level of 197,232 in November 2009. This represents a 57-percent increase since Governor Rendell took office in January 2003. The projected average enrollment for CHIP in state fiscal year 2009-2010 is 200,782, indicating an increasing demand for the program.

Number of Children Receiving Health Care Services by County and by Per Centum of the Federal Poverty Level

Please refer to Attachment 3 (CHIP Enrollment by County), a report that provides county-specific data for the number of children enrolled in the program during the reporting period of January through December 2009.

The total number of enrollment by per centum of the FPL for the period January through December 2009 was:

Month	No greater than 200% FPL (free group)	Greater than 200% but no greater than 250% FPL (Low-Cost Group 1)	Greater than 250% but no greater than 275% FPL (Low Cost Group 2)	Greater than 275% but no greater than 300% FPL (Low-Cost Group 3)	Greater than 300% FPL (Full-Cost Group)	Total Monthly Enrollment
January	157,037	18,924	3,957	2,068	1,905	183,891
February	159,096	19,319	4,114	2,138	1,941	186,608
March	161,100	19,520	4,154	2,140	1,863	188,777
April	162,881	19,907	4,291	2,157	1,823	191,059
May	164,864	20,070	4,322	2,228	1,829	193,313
June	164,908	20,022	4,325	2,242	1,853	193,350
July	167,103	20,285	4,392	2,267	1,863	195,910
August	166,156	20,260	4,375	2,289	1,881	194,961
September	167,192	20,148	4,353	2,310	1,929	195,932
October	168,158	19,522	4,244	2,235	1,953	196,112
November	169,727	19,189	4,238	2,148	1,930	197,232
December	170,044	18,909	4,151	2,141	1,905	197,150

Growth was achieved in 61 of our 67 counties over the reporting period, in all but Cambria, Forest, Greene, Somerset, Sullivan, and Wayne Counties. Greater than fifteen percent (15%) growth was experienced over the reporting period in Cameron, Clinton, Elk, Montour, Snyder, and Tioga Counties. Berks, Carbon, Chester, Dauphin, Franklin, Fulton, Jefferson, Juniata, Luzerne, McKean, Mercer, Mifflin, Northampton, Northumberland, Schuylkill, Union, Warren, and Wyoming Counties experienced growth between ten (10%) and fifteen percent (15%).

In calendar year 2009, record total enrollment numbers were achieved in 10 of the 12 months in the reporting period. As noted above, in November 2009, CHIP enrollment was 197,232 children, representing the highest monthly enrollment ever, including 12,313 children who would not have been eligible before the *Cover All Kids* expansion in eligibility. This represented a 9.1% increase from November 2008. This record enrollment growth may be attributed in large measure to the Commonwealth's focus on providing insurance coverage to *all* eligible uninsured children, including those with higher household incomes who can now purchase health insurance coverage through the CHIP program by paying the full cost; our concentration on children's coverage issues; strong outreach and marketing strategies; a strong collaboration between state agencies; access to social services via the Internet through COMPASS and our CHIP Web site; and the improved renewal efforts to keep eligible children enrolled in the program.

Our increased outreach efforts also resulted in additional applications for coverage from children in families with income below 185% of the FPL. Those applicants screened as potentially eligible for MA were referred to the Department of Public Welfare for a MA eligibility determination.

Waiting List

No children were placed on a waiting list for enrollment during this reporting period.

Healthcare Effectiveness Data and Information Set (HEDIS) Measurements

The program continues to utilize the Healthcare Effective Data Information Set (HEDIS) performance measures to determine how the PA CHIP plan compares to national and regional benchmarks, and the Consumer Assessment of Healthcare Provider Systems (CAHPS) to determine the level of satisfaction related to access, health status, and care received by children with chronic conditions. In 2009, we measured both the preferred provider organizations as well as health maintenance organizations using HEDIS, and required commercial CHIP contractors to utilize MA-adapted HEDIS measurements to enable more reliable comparisons across insurance plans.

HEDIS data compiled over the past eight years has consistently shown that children enrolled in CHIP use preventive and primary care at approximately the same level as children in commercial plans nationally and regionally. Beginning in 2004, CHIP also compared its rates of utilization to MA nationally and regionally.

Examples of the most recently available HEDIS data for preventive and primary care services, based on utilization occurring in 2008 and reported in 2009 indicate:

- Average adolescent well-care visits for CHIP were 56.9% (1.46% increase from 55.4% in 2008), while the MA national and regional rates were 45.9% and 56.3%, respectively.

- Average children's and adolescents' access to primary care practitioners for CHIP was 97.2% (increase from 90 % from 2008). The national and regional rates for MA were 95% and 95%, respectively.

In addition to the primary and preventive services reviewed through HEDIS, CHIP reviews emergency room, mental health, and chemical dependency utilization. Data based on utilization in 2008 and reported in 2009 revealed the following results:

Emergency Department (ED) Visits

Emergency Department visits (per 1,000 members):

Age <1

- The PA CHIP average was 43.3 visits per 1,000 members per month which is below the 2008 HEDIS rate of 46.8 visits per 1,000 members per month. Six contractors reported decreased utilization rates from HEDIS 2008, and three contractors reported an increase from HEDIS 2008 to HEDIS 2009. National and regional MA benchmarks are not available by this age stratification at this time. The Pennsylvania MA rate is higher at 104.7 visits per 1,000 members per month.

Ages 1-9

- The PA CHIP average was 30.5 visits per 1,000 members per month which is an increase from the 2008 HEDIS rate of 29.8 visits per 1,000 members per month. Seven contractors reported increased utilization rates from HEDIS 2008, and two

contractors reported a decrease from HEDIS 2008 to HEDIS 2009. National and regional MA benchmarks are not available by this age stratification at this time. The Pennsylvania MA rate is higher at 56.8 visits per 1,000 members per month.

Ages 10-19

- The PA CHIP average was 30.3 visits per 1,000 members per month which is an increase from the 2008 HEDIS rate of 29.6 visits per 1,000 members per month. Six contractors reported increased utilization rates from HEDIS 2008, and three contractors reported a decrease from HEDIS 2008 to HEDIS 2009. National and regional MA benchmarks are not available by this age stratification at this time. The Pennsylvania MA rate is higher at 50.5 visits per 1,000 members per month.

Mental Health Utilization

Percent of Members Receiving Inpatient Mental Health Services (per 1,000 member years):

Ages 0-12

- The percentage of members receiving inpatient mental health services for PA CHIP was 0.11% (0.04% increase from 0.07% in 2008). National and regional MA benchmarks are not available by age stratification at this time.

Ages 13-17

- The percentage of members receiving inpatient mental health services for PA CHIP was 0.75% (0.11% increase from 0.64% in 2008). National and regional MA benchmarks are not available by age stratification at this time.

Percent of Members Receiving ANY Mental Health Services (per 1,000 member years):

Ages 0-12

- The PA CHIP enrollees receiving 'any' (inpatient, intermediate, and/or ambulatory) mental health services was 5.4% (an increase from 4.81% in 2008). National and regional MA benchmarks are not available by age stratification at this time.

Ages 13-17

- The PA CHIP enrollees receiving 'any' (inpatient, intermediate, and/or ambulatory) mental health services was 8.6% (an increase from 7.8% in 2008). National and regional MA benchmarks are not available by age stratification at this time.

Chemical Dependency

Percent of Members Receiving Inpatient Chemical Dependency Services (per 1,000 member years):

Ages 0-12

- No measurable utilization reported for this age group.

Ages 13-17

- The percentage of members receiving inpatient chemical dependency services for PA CHIP was 0.25% (an increase from 0.17% in 2008). National and regional MA benchmarks are not available by age stratification at this time.

Percent of Members Receiving ANY Chemical Dependency Services (per 1,000 member years):

Ages 0-12

- The percentage of members receiving 'any' chemical dependency services for PA CHIP was 0.02% which was comparable with 2008 utilization numbers. National and regional MA benchmarks are not available by age stratification at this time.

Ages 13-17

- The percentage of members receiving 'any' chemical dependency services for PA CHIP was 1.13% which is comparable with 2008 utilization numbers. National and regional MA benchmarks are not available by age stratification at this time.

The Department is trending HEDIS data to determine the strengths and weaknesses of the program and individual contractors. In 2008, the Department contracted with IPRO, an External Quality Review Organization (EQRO), to develop quality improvement initiatives based on HEDIS. Current initiatives focus on over-utilization of ED visits and an obesity measurement comparable to the one used by Pennsylvania's MA program. For 2010, additional measures have been added that concentrate on:

EPSDT-Annual Vision Screening
EPSDT-Developmental Screening
Periodic Dental Visits and Dental Sealants for Children

The EQRO also developed a HEDIS 2009 Performance Report which is available at Attachment 4 (HEDIS 2009 Performance Report).

Eight PA CHIP plans participated in the CAHPS survey, and 7,472 respondents completed the CAHPS 4.0 Questionnaire. The respondents completed the questionnaire on behalf of a child enrolled in one of the commercial-based or MA-based HMO plans.

For CAHPS 2009, the majority of respondents were female (85.0 percent). A high proportion of survey respondents had a high school diploma (39.9 percent) or some college education (36.5 percent). In addition, the majority of respondents indicated that their child is white (76.1 percent) and was in "excellent" or "very good" health (82.6 percent).

The Global Rating Questions asked respondents to rate each of four aspects of their child's health care on a scale of 0 to 10, where 0 is the "worst possible" and 10 is the "best possible."

For 2009, the PA CHIP plan average for enrollees who rated their child's health plan 8, 9, or 10 was 85.9 percent. Health plans' rates for rating of child's health plan ranged from 76.6 to 92.0

percent. The average across health plans for PA CHIP enrollees who rated their child's personal doctor 8, 9, or 10 was 86.4 percent.

Children's Health Insurance Program Reauthorization Act (CHIPRA)

CHIPRA was signed into law in February 2009. This federal law stabilized and increased federal funding for CHIP benefits. Prior to CHIPRA, the reauthorization of the CHIP program had been delayed for several years. CHIPRA substantially increased Pennsylvania CHIP allotment, which is critical since about two-thirds of Pennsylvania CHIP's costs are paid with federal funds. In addition, CHIPRA provided other resources for improving the CHIP program. The Department has worked closely with the Centers for Medicare and Medicaid Services (CMS), the federal agency overseeing the federal CHIP program, to prepare Pennsylvania's State Plan Amendment and to implement program improvements in a timely fashion. Key CHIPRA provisions addressed in 2009 were:

Citizenship and Identity Requirements:

- CHIPRA requires states to begin verifying citizenship or nationality of all enrollees and applicants effective January 1, 2010. Under CHIPRA, states can meet this requirement through a data exchange with the Social Security Administration (SSA) and the federal government will pay 90% of the cost for developing this capability. Pennsylvania has advised CMS that it will use the SSA interface approach. Under CHIPRA, children who are determined to be eligible for CHIP except for citizenship will be provisionally enrolled in CHIP for 90 days while efforts are made to resolve citizenship questions. If citizenship cannot be established during this 90-day period, a 30-day notice will be given that the CHIP eligibility of these children will be terminated. We expect a fully automated citizenship verification process will be in place by June 2010.
- SSA requires that only one state agency have an interface for citizenship verification, which is DPW for Pennsylvania. This necessitates that the CHIP program funnel its citizenship queries to SSA through DPW. To accomplish this, it is necessary to synchronize the CHIP and MA eligibility files, for which the federal government will pay 90% of the cost. This synchronization will also avoid duplication of efforts when children transition between CHIP and MA, and reduce the paperwork burden on applicants. In addition, the ability to share eligibility information across programs will support future exchanges of other data across program, as explained below.

Express Lane Eligibility/Administrative Simplification

In addition to the citizenship and identity verification requirements outlined above, the federal government through CHIPRA is strongly encouraging states to utilize information already housed in state agencies for CHIP and MA. It is not desirable for several state agencies to verify one child's family income or other information separately for each of several programs. If there is a state agency using a credible eligibility determination process or collecting information relevant to CHIP eligibility, CHIP programs have been encouraged to use this information. In

addition, there may be information that Pennsylvania CHIP has that other state agencies need. An example is a child support enforcement or domestic relations situation where health insurance coverage for a child is court ordered. Under some circumstances, CHIP can provide that information. On the other hand, the child support enforcement system collects income information. Documenting income is not simple for individuals, so if CHIP can obtain that information from another credible source, that would be highly desirable to increase accuracy, reduce burdens on the family, and decrease administrative costs to the Commonwealth. Using electronic information systems to exchange data is advantageous for a number of reasons, including a reduction of errors and increased efficiency. We have some federal funding to start building the backbone for information exchanging and hope to accomplish that in 2010.

Managed Care Organizations (MCOs)

The federal government is requiring that the CHIP program be more like the MA program with respect to notices and making sure that families have choices of health insurance plans and providers. CHIPRA requires states to find a way so that any child may disenroll from one MCO and have the option to have coverage provided in another way (or have a choice of more than one MCO). The 2009 implementation of our two new CHIP insurance contractors ensures that there is now a choice of at least two CHIP MCOs in every county in the Commonwealth. Enrollees have the option of changing contractors by notifying the MCO through which they are currently covered by CHIP that they wish to change to another CHIP MCO.

Payments to Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs):

CHIPRA requires states' CHIP programs to pay FQHCs and RHCs at least the equivalent of the prospective payments in MA. The Department contacted volunteer FQHCs to look at CHIP reimbursements to FQHCs and to identify any underpayments. An FQHC in York collected data relating to member claims from a single CHIP contractor from January through June 2009, and that data demonstrated some underpayments for medical and dental services.

A CHIP insurance contractor did a similar analysis on payment and utilization data relating to CHIP member claims at six different FQHCs from July through September 2009. The data from this sampling demonstrated monthly underpayments for medical and dental services as well.

It also appears that some payments for CHIP services rendered at FQHCs and RHCs are being made payable directly to the provider. If it is confirmed that CHIP has been paying FQHCs and RHCs less than what is newly required under CHIPRA, the Department will correct this situation, such as with supplemental payments to the FQHCs and RHCs. The Department is checking with the state association of FQHCs and RHCs to see which solutions would be most acceptable to handle such payment issues.

***Insure Kids Now!* Web Site – Dental Providers**

CHIPRA requires states to provide more information about dental providers. The federal government recently set up a Web site which maintains information for states' CHIP programs

including which dentists are participating for CHIP and MA in each state. This is an issue because there is a shortage of dental providers participating in public health insurance programs in many states and a shortage of dental providers in some parts of many states, including Pennsylvania. Also, it is difficult for dentists to declare what they are doing in the terms that CMS requires. CHIPRA was a comprehensive bill and the federal government has had some difficulty coming up with timely guidance on how to implement all the new requirements for CHIP in CHIPRA. Specifics about this requirement are provided below.

The Department of Health and Human Services designed the *Insure Kids Now!* Web site to serve as a centralized source of information relating to the MA and Children's Health Insurance Program (CHIP) across all 50 states. The site provides information on CHIPRA, state-by-state eligibility levels, and a direct link to the Pennsylvania CHIP Web site.

In accordance with CHIPRA mandates, PA CHIP began submitting information to the *Insure Kids Now!* Web site in July of 2009. As of February 4, 2010, all ten CHIP insurance contractors' dental providers will be represented on the *Insure Kids Now!* Web site, along with the minimum dental benefit package provided to CHIP members. Dental benefit information may be accessed at www.insurekidsnow.gov/state/pennsylvania/benefits.html. Information relating to PA CHIP dental benefits is updated on an annual basis. The most current dental provider database may be accessed at www.insurekidsnow.gov/state/pennsylvania/pennsylvania_oral.html. Dental provider information is updated on a quarterly basis.

The Health Resources and Services Administration (HRSA) and CMS continue to collaborate with the states to refine and update the *Insure Kids Now!* oral health Web page in order to provide enrollees accurate and easily accessible information. Since the new oral health Web page was added, the site has averaged more than 20,000 hits per month.

Mental Health Parity

CHIPRA requires that states' CHIP programs provide mental health parity. This raised a concern in that Pennsylvania's CHIP program permitted slightly more physical health ambulatory visits than mental health ambulatory visits. The Department determined that there were very few children who had more than 50 visits per year for physical health or behavioral health. It appears that the children who had more than 50 visits per year have serious health conditions and most likely will qualify for MA. Therefore, Pennsylvania's CHIP changed its benefit package and lowered the number of allowed physical health visits to 50 per year, not including well-baby, well-child, or emergency room visits.

Autism Mandate

The autism mandate is a state requirement that becomes effective on a rolling basis. The CHIP program, included in the law, added autism coverage when it redetermined CHIP rates effective December 1, 2009. The Department believes it will have some additional expenses for autism services. However, in discussions with DPW, it appears that most of the children who will be receiving services under the autism mandate will be eligible for MA, and accordingly will be transferred to that program.

Referrals for Children Who Appear to be Eligible for MA

In 2008, former Deputy Commissioner George Hoover identified that there are children enrolled in CHIP with serious health conditions who are eligible for MA. These children need the services and greater benefits that MA offers. Additionally, under federal and state law children who are eligible for MA are not eligible for CHIP. The Department is developing a systematic approach to gently get these children transitioned to MA. Ten percent (10%) of the costs for CHIP may be attributable to children who should be enrolled in MA due to their serious health conditions.

The Department has been working with DPW to improve the referral process for CHIP enrollees with serious health conditions who are likely to be eligible for MA under the PH95 program. This includes working with DPW to change the applications for CHIP and MA so that such situations are identified when children are applying for CHIP. There is currently a question on the applications about disability but this is a free text field. Partially as a result, the processes have not been fully developed to use the responses to this question. However, children who should be transitioned from CHIP to MA due to serious health conditions will not be terminated from CHIP until the child is determined to be eligible for MA.

Special Care

Special Care is a low-cost insurance plan offered statewide to low-income residents by Pennsylvania Blue Cross and Blue Shield plans. Special Care provides basic preventive care services to children and adults ineligible for CHIP and MA who cannot afford private health insurance. Special Care provides protection for families by covering the high cost of hospitalization, surgery, emergency medical care in addition to routine primary care. However, in almost all cases, the CHIP benefit package is broader and the cost to the family is lower than coverage of a child under Special Care. Therefore, it is almost always advantageous for a child in Special Care to transition to CHIP.

Efforts began in 2005 and are continuing to ensure that no child remains enrolled in Special Care or is enrolled in the future in Special Care who is eligible for CHIP unless the child's family insists that the child be on Special Care or the child is not eligible for CHIP (e.g., a child who is not a US citizen or lawful alien and a resident of Pennsylvania). Between March 2006 and December 31, 2009, the number of children on Special Care declined from 7,176 to 799. Efforts in 2009 accelerated the transition from Special Care to CHIP and, as a result, 596 children were approved for CHIP enrollment and transitioned from Special Care during the reporting period.

The Department's Response to the Needs of the Uninsured

Previously, Pennsylvania's CHIP worked with the Governor's Office of Health Care Reform and other stakeholders on the implementation of the *Cover All Kids* initiative. With the expansion now in place for over two years, the program has been able to focus on key initiatives to refine the enrollment and renewal processes and the final product for citizens who apply for insurance coverage.

Program integrity initiatives like the contract for third party verification of insurance coverage have helped make sure the program remains sustainable and in compliance with state and federal regulations. This third party verification process ensures that only those who are *uninsured* are determined eligible for CHIP and that the statutorily required period of uninsurance is met by appropriate applicants.

Other processes that were either begun or completed in 2009 include:

- Pennsylvania CHIP is undertaking a systematic effort to identify children enrolled in CHIP or applying for CHIP who are eligible for MA due to serious health conditions. This effort was initiated to ensure that each child receives the benefit program for which she/he qualifies, that children with special needs receive the broader benefits available under MA, and that available CHIP funds are conserved so that all eligible children in Pennsylvania who apply for CHIP can be enrolled without delay in CHIP.
- Pennsylvania CHIP will be exercising the CHIPRA option to expand eligibility to certain targeted low-income children without a five-year delay.
- Compliance with new state mandate for coverage of autism benefits.
- Within the limits of a restrictive budget, CHIP continues to work towards simplifications in both application and renewal processes. As additional data is made available to CHIP from other agencies, CHIP will not require verification of like data from the applicants. Pennsylvania CHIP continues to explore opportunities offered under CHIPRA such as Express Lane Eligibility, Administrative Renewals, Premium Assistance Programs, and the like.
- Refinements to the automated referrals between the Department of Public Welfare and the Pennsylvania Insurance Department for adults and children who apply for healthcare coverage and are referred to the other agency for services. Automation of the referral process has eliminated errors or omissions associated with a manual process, decreased time involved with the referral, and protected the consumer from unnecessary lapses in coverage when transferring from one government program to another.
- Retention and Renewal Efforts: Pennsylvania began implementing short- and long-term goals generated by a 2008 Southern Institute on Children and Families, a Robert Wood Johnson Foundation-funded initiative to improve retention of eligible children in MA and CHIP. The eight participating states received specialized consultation and technical assistance to adopt simplified eligibility policies and processes and to ensure accuracy of eligibility determination processes at renewal to decrease inappropriate closures. Consistent with the goals identified in Pennsylvania's plan, and as mentioned above, we implemented an electronic exchange between agencies to reduce the time it takes to make referrals between MA and CHIP. Additionally, we are moving toward all pre-populated renewal forms from our insurance contractors. We eliminated the requirement for a signature on renewals and are utilizing a grace period to allow for no lapse in coverage if a renewal is received within 60 days of a renewal due date. We also allowed for individuals to purchase the CHIP benefits at full cost if they are unwilling or unable to verify income. For the longer term, we are

examining administrative renewals to remove additional barriers by verifying information through available data exchanges.

- Participation with CMS and national organizations on the implementation of the many requirements of CHIPRA, as discussed in further detail in this report.
- CHIP and its marketing partners are working to form new community relationships with Pennsylvania businesses, including hospital associations, day care centers, and employment staffing agencies. These partnerships will provide specific CHIP information to be distributed to families that are more likely to be in a state of need.
- CHIP added sections for school districts and legislators to the current electronic toolkit on the CHIP Web site. This toolkit contains specific information for each audience. By giving school districts and legislators the tools they need, we seek to ensure that there is consistency and cohesion in the CHIP message across all channels of communication.
- Completion of a Request for Proposals for CHIP insurance services in 2008, and the implementation of two newly contracted health insurance companies, offering choice of MCOs to CHIP enrollees and bringing the program into compliance with the new federal mandate for choice of MCOs.
- In 2009, the National Academy for State Health Policy (NASHP) recognized the efforts of the Commonwealth of Pennsylvania in advocating for the advancement of the medical home model. NASHP has requested that Pennsylvania serve as a mentor state for its Consortium throughout 2010. To that end, PA CHIP is a member of a multi-agency team that provides technical assistance to other states around the nation as they continue to develop and implement their own medical home models. While budgetary limitations have made progress in implementing the medical home model slow, all ten CHIP insurance contractors are involved in a variety of different efforts intended to further this model in order to provide better and more cost effective care for CHIP members.

In conclusion, the world and economic downturn hit Pennsylvania hard, resulting in a decline in state revenues and an increase in the demand for and cost of state-funded services. Pennsylvania's CHIP is one of the few state programs that enjoyed an increased appropriation of state funds in FY 2009-10 as a result of broad bipartisan support. Pennsylvania CHIP started SFY 2008-09 with 174,000 covered children and ended with 193,000 children. Funding for SFY 2008-09 was just sufficient to cover the average enrollment of 182,000 children. If appropriated state funding for CHIP for SFY 2009-10 had been the same as SFY 2008-09, then it would have been necessary to immediately end open enrollment in CHIP and reduce enrollment to the 182,000 level. Instead, due to the broad support for CHIP in Pennsylvania, open enrollment continues. However, the state will need to make difficult decisions again with the SFY 2010-11 budget.

Whether the increases in enrollment may be attributed to refinements in the program, to the economy, or to the extensive outreach efforts made by many, it seems clear that the expanded income eligibility limits for CHIP have provided access to affordable, available health insurance coverage for Pennsylvania's uninsured children.

Looking ahead in 2010, the Department is prepared to fulfill the mandates and promises of CHIPRA not yet implemented. CHIP continued to experience growth with record enrollment numbers throughout 2009 and a similar growth rate is expected in 2010.

The Department is proud to provide this annual report to the legislature. We look forward to continuing our efforts to serve the uninsured children of the Commonwealth.