



Pennsylvania's
Children's Health
Insurance
Program

**ANNUAL REPORT TO THE STATE LEGISLATURE
CALENDAR YEAR 2005**

Annual Children's Health Insurance Program Report – 2005

Number of Enrolled Children

The number of children enrolled in the Children's Health Insurance Program (CHIP) from January 2005 through December 2005 was:

January 2005	133,993
February 2005	133,957
March 2005	134,759
April 2005	134,901
May 2005	135,744
June 2005	136,511
July 2005	136,659
August 2005	136,312
September 2005	136,470
October 2005	136,363
November 2005	137,698
December 2005	138,198

Please refer to Attachment A, a report that provides county-specific data for the reporting period.

In November 2003, there was a change in the way that family net income is determined. This change in methodology increased the work expense deduction (from \$90 to \$120 per employed person) and also changed the way in which average monthly income is determined. These changes were made to coincide with similar ones previously implemented by the Department of Public Welfare for Medicaid and to fulfill our federally mandated "screen and enroll" requirements. The result was that several thousand children who would previously have been found eligible for CHIP were referred for enrollment in Medicaid.

Despite this change, in 2005, growth was achieved in approximately two-thirds of our 67 counties. Adams, Bedford, Berks, Columbia, Cumberland, Franklin, Fulton, Juniata, Lancaster, Northampton, Perry, Snyder, Union, and Wyoming Counties experienced growth in excess of ten percent over the previous reporting period. Beaver, Bucks, Carbon, Centre, Dauphin, Delaware, Lebanon, Luzerne, Tioga, Wayne, and York Counties achieved growth in the five percent to ten percent range.

In November 2005, CHIP enrollment was 137,698, representing the largest single-month percentage gain since December 2003. In December 2005, enrollment reached 138,198, the highest monthly enrollment ever. This record in enrollment can be attributed in large measure to a strong collaboration between state agencies, our focus on children's coverage issues, strong outreach and marketing strategies, access to social services via the Internet through COMPASS, and new and improved renewal efforts to keep eligible children enrolled in the program.

Outreach and Enrollment Efforts

MARKETING

Market Study

Based on the Melior study the Department commissioned in the summer of 2003 that affirmed the validity that there is a high level of public awareness of CHIP, the Department worked on messaging that was specifically directed toward motivating a parent to begin the enrollment process. In addition, it was recommended that the development of specific messages directed at targeted market segments be undertaken because a single, broader message does not resonate across all audiences.

The market segments that the Department focused its outreach efforts included:

- **The Not Me's** - people who don't think that their children would qualify. The message for this group is "You may not have thought CHIP is for families just like yours."
- **Transitional Families** - people whose lives and insurance status has changed (e.g., divorce, loss of employment, etc.). The message for this group is "When change leaves your kids uninsured, CHIP can help."

Two television advertisements were developed that feature sports-related themes (skateboarding and a child attempting to play basketball in a suit of armor). The messaging conveys that CHIP lets "kids be kids" and that "we cover" unexpected life events. The television ads were augmented by radio spots that tell parents that their children "really could" qualify for CHIP. One such message is particularly noteworthy in that it features a friend (an **Influencer**) telling a young mother (a **Not Me**) about the generous income limits for CHIP.

The advertising campaign ran intermittently throughout 2005 as a component of the annual back-to-school effort and during the holiday season (2004 and 2005). A testament to their impact can be seen in the fact that the call volume to the Helpline almost doubled when the ads were run.

Collateral marketing materials (brochures and posters) that complement the television and radio themes were developed and continue to be distributed across the Commonwealth. Print ads were also published in the newspapers of counties with the highest rates of unemployment throughout the state.

OUTREACH THROUGH TECHNOLOGY

COMPASS/Applying for Coverage

The Commonwealth of Pennsylvania Access to Social Services (COMPASS) web-based application system (www.COMPASS.state.pa.us) continues to be a well-used tool by consumers seeking to apply for health care coverage and other supportive social service programs. In the 12 months spanning January through December 2005, 83,071 applications for the many available services have been submitted via COMPASS by either consumers or community partners. Of the 83,071, a total of 71,425 have been for health care-related services (10,064 applications for CHIP have been submitted, 4,412 for adultBasic, and 56,949 have been submitted for Medicaid).

In November 2005, 9 percent of all CHIP and adultBasic applications and 7 percent of all CHIP and adultBasic renewals were completed online.

COMPASS/Renewing Coverage

COMPASS utilization numbers increased with the ability to renew coverage for CHIP, adultBasic and Medicaid online (implemented in 2004). Enrollees receive information about the option to renew online in their renewal notices and reminders. They are provided with security protection information to access their individual data. An important feature of this enhancement to COMPASS was the concept of an electronic signature. In 2005, a new component called "My COMPASS Account" was created to provide enrolled consumers a roster of all services in which they are enrolled and an account balance where appropriate (e.g., food stamps, cash assistance).

COMPASS/Vehicle for Accessing Coverage Over the Telephone

Throughout 2005, Helpline counselors have been taking applications and processing renewals for CHIP, adultBasic, and Medicaid over the telephone. Counselors enter the information provided by the caller by utilizing the so-called Power User version of COMPASS. In late 2005, the Helpline began a new renewal initiative of contacting families who have not renewed their CHIP benefits and have received a termination notice. Designated Helpline staff call up to 2,500 families a month to determine if they need assistance in renewing CHIP benefits or if they are letting their benefits lapse and for what reason they are doing so.

Website Improvements

The Department is working with an information technology company to provide a new and more user-friendly CHIP website. The new site, which is scheduled to be unveiled in early 2006, will contain a full array of information including eligibility requirements, benefit information, how to apply, how to secure brochures and other outreach materials, and the SCHIP Annual Report.

GRASS ROOTS INITIATIVES

CHIP Pool Patrols

During the summer of 2005, "CHIP pool patrols" visited community pools across the Commonwealth to talk to families about CHIP and educate them about the need for quality health insurance for their kids. The teams handed out sunscreens to families with the CHIP "We Cover" motto printed on them, along with CHIP brochures and applications. In total, the pool patrols visited over 110 community pools and five Erie beaches, also stopping off at parks, recreation centers, Boys and Girls Clubs, YMCAs and food banks along the way. In total, the pool patrols handed out 9,000 "We Cover" sunscreens.

Pennsylvania Farm Show

The Pennsylvania Farm Show is the largest indoor agricultural event in America, housing 25 acres under roof, spread throughout 11 buildings including three arenas. In 2005, nearly 500,000 visitors packed the aisles of this free event to view the many farm equipment displays, livestock and educational exhibits and agricultural demonstrations participating in this "Winter Extravaganza".

The CHIP program sponsored a booth at the 2005 Farm Show. The booth was manned by CHIP and adultBasic staff and outreach staff from several of the CHIP contractors. Brochures, posters, applications and palm cards were distributed by staff as well as young teens dressed in armor to reflect the new CHIP television commercials, which played on a continuous loop at the booth. Contractors also provided fun giveaways to attract visitors to the booth. Many families with no insurance for their children or themselves stopped by the booth seeking information. Also, many families who have CHIP coverage shared positive stories about their children's coverage.

School-Based Outreach

Annual Distribution of CHIP Information

Pursuant to state statute, passed in December 2002 (Act 153 of 2002, 24 P.S. §14-1406), the Department distributed information about the existence of and eligibility for CHIP to all children enrolled in public schools and offered the information for distribution to private schools. A bright orange flyer with the marketing message "REALLY...even a family of four with annual income of \$45,000 could qualify for CHIP" was distributed to all public and private schools in Pennsylvania. A total of 2.2 million flyers were distributed.

The Department used experience gained from past years to improve the distribution. Based on recommendations from school districts and the state's Department of Education, the flyers were made available to the schools in June to enable local school personnel to insert them in parent-information packets that are distributed at the beginning of the school year. The Department of Education also sent a broadcast message via e-mail to its 501 school districts to alert them that the CHIP flyers were being sent and a reminder that they were to be distributed to all students. The Department of Education also added a link from their website to the CHIP website and included an electronic version of the CHIP flyer to their website for schools that wished to incorporate the flyer in student booklets and other printed materials.

School Nurse Consultants

Training sessions were again held with state school nurse consultants so that they might be better informed about CHIP and so that they could disseminate information to all school nurses throughout the Commonwealth. The information included how they might encourage or assist the parents of uninsured children to apply for CHIP and the new messaging focus (in particular, the use of COMPASS for online, in-school enrollment and telephonic applications were recommended as new options). School nurses were also encouraged to include information about CHIP with kindergarten registration materials and to document health insurance status information in school health records.

Partnership with Boscov's/Public Service Announcement (PSA) with COMCAST

Boscov's, a Pennsylvania-based chain of retail stores, stepped forward for a second year to invite CHIP to be an integral part of its annual back-to-school effort. During the weekend prior to the opening of the school year, Boscov's included CHIP information in newspaper ads and hosted back-to-school events in most of its 25 stores through the state. COMCAST Cable Network also promoted CHIP on its cable channels by airing a series of PSAs featuring Governor Edward G. Rendell. In total, four different PSAs featuring CHIP were run on all Pennsylvania channels

during 2005, including a tax season PSA, a summer/outdoor PSA, a Back-to-School PSA and a holiday PSA.

Helpline Call Center

Policy Studies Incorporated (PSI) —Connecting Citizens with CHIP

In 2004, the Commonwealth launched an exciting new public/private partnership project called the Health and Human Services Call Center (HHSCC). The HHSCC comprises a unique multi-agency collaboration among five state agencies that support seven different statewide information and referral helplines: the Pennsylvania Insurance Department, and the Departments of Health, Aging, Public Welfare and General Services. While this integrated call center has saved the Commonwealth more than \$2 million in operating costs, it has also expanded services for callers by providing a “one stop shop” for social services in Pennsylvania. Center information and referral specialists are cross-trained to handle calls from each of the helplines – from Medicaid and CHIP help to brain injury information, from assistance for kids with special needs to long-term care resources, and from what to do about lead in the house to finding a doctor when you’re pregnant - to maximize resources and offer the full range of available services and information to citizens on one call.

The Commonwealth’s partner in the HHSCC is Policy Studies Inc. (PSI). PSI has more than 20 years experience in managing health and human services programs such as the HHSCC for federal, state, and local government. Its health services include SCHIP eligibility and enrollment, Medicaid health benefits management (enrollment broker), provider network management, and public health consulting.

PSI has a distinct history of involvement with public programs and provides a full range of consulting, outsourcing, and technology services in health services, child support enforcement, workforce development, justice services, and health and human services technology support. PSI has large-scale call center operations and smaller customer service units in many public health insurance and child support programs across the country.

The Commonwealth and PSI have developed a set of high-quality standards for HHSCC operations and constantly monitor those performance standards to ensure a consistent level of service excellence for Pennsylvania. Quality assurance monitoring is conducted to ensure excellence in customer service. This includes call monitoring and evaluations with each Helpline counselor and for each line. The key performance indicators for the call center are:

- Average speed of answer of <30 seconds
- 95% service level
- Abandoned call rate of <5%
- Live answer rate of 95% or greater
- Average hold time of <30 seconds

Despite heavy call volume (especially when CHIP television ads are on the air), the HHSCC consistently met and exceeded these performance standards across all lines.

Application and Renewal Assistance

In addition to information and referral services, the call center is providing application assistance services for callers. Callers are given the option to: receive a paper application; apply or renew over the phone with the assistance of a Helpline counselor; or receive the COMPASS website address to apply on their own over the web. The counselor uses the Power User version of COMPASS to record the application information provided by the caller. The counselor shares the results of the program screening performed by COMPASS with the caller and completes the electronic application for enrollment in the appropriate Commonwealth program. The call center also maintains a list of applications submitted and conducts follow-up calls to ensure that a "result" has occurred with each caller.

While the HHSCC provides callers with valuable information and referrals, staff also are trained to identify anyone without insurance and offer them information and assistance with programs such as Medicaid, CHIP, adultBasic, and PACE (the state's prescription assistance program). For callers who ask specifically for help with Medicaid, adultBasic, and CHIP applications, center information and referral specialists offer three options: to mail a paper application, give the Commonwealth of Pennsylvania Access to Social Services (COMPASS) website so they can go on their own to fill out an application, or fill out the application in COMPASS for them while they are on the telephone.

In 2005, the center:

- Mailed 13,222 Medicaid applications
- Mailed 146,757 CHIP and adultBasic applications
- Made 12,352 COMPASS referrals
- Completed 4,308 COMPASS applications online

Two months after sending an application or completing one online, center staff follows up with callers to see if they mailed in their completed application or received information about the program for which they applied. Starting just recently, the center began making follow-up calls for individuals whose membership is up for renewal in CHIP. The center works closely with the Pennsylvania Insurance Department and the managed care plans to target families who will lose coverage if they do not get renewal paperwork done on time. Each family receives at least two calls, and staff leaves messages when they are not able to reach someone directly. It is expected that this initiative will help to reduce the number of families who lose CHIP benefits because they forget to renew or do not complete the renewal process before their coverage ends.

Interagency Initiatives

The work of the nationally recognized interagency work groups continue. Key initiatives undertaken during the reporting period include:

Newly Formed Interagency COMPASS Workgroup

Recognizing the interconnectedness of social service programs and the communities they serve, the CHIP program created an interagency COMPASS workgroup in September 2005 to explore and implement ways to continually improve communications and outreach to families in need of CHIP and other Commonwealth social service programs through the use of the COMPASS online application. Outreach will not only include citizens, but also community organization partners who are vital to the people we all serve.

CHIP Information with Birth Certificates

The Department of Health supports the CHIP outreach effort by issuing a specially designed CHIP brochure with each birth certificate they issue. The special brochure was updated this year to reflect the revised messaging of the new CHIP collateral materials.

CHIP Information with Child Support Enforcement

The Child Support Enforcement Unit of the Department of Public Welfare (DPW) sought help in developing a training module about CHIP for the Domestic Relations staff in all Pennsylvania counties. Collateral materials are in the packets provided to families when they have initial contact with the Domestic Relations Office. CHIP also has been included as a link on the DPW child support website.

Transition Checklist for Health Care Planning

CHIP outreach staff supported an effort spearheaded by the Department of Education and DPW to prepare a "Transition Checklist for Health Care Planning" to be used by youth and young adults who have disabilities to achieve successful health outcomes. The checklist was provided to community partners and families of children with disabilities at a series of seminars held throughout the state.

CareerLink Symposiums

Throughout September 2005, the CHIP Outreach Coordinator delivered a series of presentations across the Commonwealth at regional CareerLink conferences. Pennsylvania CareerLink is a cooperative effort that provides one-stop delivery of career services and other needed services to job seekers, employers and other interested individuals through their local county Pennsylvania CareerLink office. The topic of the presentations focused on the interconnection between the CHIP program and the Commonwealth of Pennsylvania Access to Social Services (COMPASS), with explanations on how to become a COMPASS Community Partner. Each of the Commonwealth's 79 CareerLink centers has Internet access and computer labs available to the public. Most already partner with CHIP contractors to provide CHIP information and are looking for additional social service resources and assistance they can provide to people in transition who need healthcare benefits. Based on the response to the presentations from various CareerLink centers, CHIP staff will continue to work with Pennsylvania's Department of Labor and Industry to explore further partnership opportunities.

Covering Kids and Families

Continued Collaboration

Pennsylvania Partnerships for Children (PPC), as the lead agency for the *Covering Kids and Families* (CKF) Coalition, continues to engage in a mutually respectful and productive relationship with CHIP. Consumer advocates are viewed as important contributors in the development of new outreach and enrollment strategies and their input is regularly encouraged by the CHIP staff. PPC brings the knowledge gained through the four local CKF projects as well as the experience of more than 70 CKF Statewide Coalition members.

Staff from the Insurance Department, as well as the CHIP contractors, continue to participate in the CKF Coalition, serving on the Steering Committee. The CHIP staff provides regular updates on the CHIP and adultBasic program structure, enrollment and outreach strategies, and engages in development of Coalition activities and tactics. CHIP staff regularly seeks input from CKF Coalition members in developing new policies, strategies, and tactics.

CKF and the CHIP and Medicaid programs have collaborated on a number of projects through this past year. Notably, the Insurance Department has encouraged the CKF Back-to-School concept.

This year, the Deputy Commissioner for CHIP and adultBasic participated in a press conference held in Philadelphia to kick off the Annual Back-to-School Campaign. The Deputy Commissioner spoke at the press conference along with elected officials, a family receiving CHIP, the Deputy Health Commissioner and the Philly Phanatic (Philadelphia Phillies mascot). Coverage of the event was carried on local affiliates of CBS, ABC, WB and *Telemundo*. Print coverage was carried in the Philadelphia Inquirer. In addition, the Department also coordinated its advertising to complement the start of the Back-to-School period.

The Insurance Department is an active participant in the second year of the CKF Process Improvement Collaborative. The CKF Process Improvement Collaborative (PIC) is a Robert Wood Johnson Foundation funded project engaging 14 states in a year-long effort to identify and implement specific small scale tests to improve the effectiveness and efficiency of administrative procedures. Pennsylvania's PIC team included a CHIP outreach representative and the Deputy Commissioner for CHIP and adultBasic along with representatives from Department of Public Welfare operations and eligibility staff and CKF Project Director. Pennsylvania's project assessed two areas of customer service for families enrolling in or renewing their health coverage through Medicaid or CHIP.

The first test measured the transfer of applications and renewal forms between Medicaid and CHIP when families were ineligible for the program they first applied to but appeared eligible for the other program. Initially, the team looked at initial applications and then examined renewals. Initial applications appear to transfer correctly, but more assessment is needed to ascertain correct transfer at renewal.

The second test of customer service was inspired by PIC projects in other states. The Helpline will make outbound calls to families who have been sent notices that they are due to lose coverage within 30 days. The Helpline will make three attempts to reach the family to remind them of the renewal deadline, to offer to take a renewal over the phone and to conduct a brief survey if families have decided to leave the CHIP program. Using the small scale test strategy, the Helpline has adjusted its scripts, its call timing and measured its outcomes through rapid turnaround to assess the efficacy of this strategy.

The Departments of Public Welfare and Insurance collaborated on a pilot test of self-declaration of income in three sites in Philadelphia. This project allowed families who received specific application assistance to self-declare their income if they applied through City Health Center #9, Temple Children's Hospital or Philadelphia Citizens for Children and Youth. Program eligibility

for Medicaid or CHIP was determined based on the self-declaration and third-party verification of their income was obtained subsequent to authorization of coverage.

PPC has been pleased to work with CHIP and adultBasic staff through a number of transitions this year. Patricia Stromberg will be missed, but the appointment of George Hoover as Deputy Commissioner has been well-received by the CKF Statewide Coalition. Deputy Commissioner Hoover is a trusted partner who worked closely with PPC staff on a number of projects and initiatives during his tenure in the Department of Public Welfare. That partnership continues to be solidly effective in his new role.

The Insurance Department and the CHIP program staff continue to engage in remarkably cordial and collaborative partnerships with CKF. This ongoing openness to the national expertise available through CKF as well as the willingness to seek input from CKF, the Coalition, and the four local projects has continuously enhanced and improved the outreach, enrollment and renewal efforts in both CHIP and Medicaid.

OUTREACH TARGETED TO SPECIFIC POPULATIONS

Background

U.S. Census figures indicated that Pennsylvania's Hispanic population increased from two percent in 1990 to 3.4 percent in 2003. Acknowledging this growth and knowing that one in four Hispanic children is uninsured nationally, the Department sought to continue its strategy of targeting the fast-growing Hispanic community. The Mendoza Group, a for-profit Hispanic agency that has a history of health marketing initiatives within the Latino community, was again selected based on its successful work in 2004 of focusing on two demographic segments of the market, those unaware of CHIP and those who do not think that they qualify for CHIP.

The overall strategy for 2005 was designed to allow continuous opportunities for more information and more education that were implemented through an aggressive grassroots tactical approach and one that empowered Spanish-speaking and bilingual Hispanic families to take the next steps towards enrolling their uninsured children in the CHIP program.

Pennsylvania's dominant Hispanic populations fall into three groups:

- Puerto Rican – More acculturated
- Mexican – Newly arrived and Non-acculturated
- Other (Includes Dominican, Central and South American) – Less acculturated

The “newly arrived” have less than five years in this country; “less acculturated” have been in this country five to ten years; and “more acculturated” have been in this country more than ten years. With acculturation comes increased ability to understand and function independently with public systems. Based on the acculturation levels, marketing efforts needed to be adjusted to effectively reach each grouping.

Strategic Plan

Community-Based Organizations (CBOs) provide a significant point of entry into the Hispanic market, and the best way to reach the Hispanic community is to work with them. For the past 30 years, these organizations have served as the frontline advocates for and providers of Hispanic health care and social services. It was this network that was targeted in 2005 as the most

appropriate and sensible entry point for designing and implementing health outreach programs for Latino communities.

In 2005, Mendoza Group interviewed and selected seven key CHIP nonprofit provider organizations as enrollment team partners during the campaign. These partners would serve not only as points of distribution but would be the core venues for media-driven enrollment drives. Seven counties were targeted within the Commonwealth for the rollout of the multi-tiered plan: Philadelphia, Berks, Lehigh, Bucks, Montgomery, Chester and Lancaster. The implementation of the strategic plan was formed around four key tactical approaches that were managed by a CHIP-trained bilingual street team hired by Mendoza Group:

- Media Briefings
- Presentations and Distribution of the Spanish-language CHIP documentary
- Enrollment Drives
- Health Fairs and culturally-relevant Community Events

Media Briefings

Immediate awareness of the CHIP Latino campaign was proven by the successful coverage provided by Hispanic and non-Hispanic media in the three designated counties for the media briefings – Philadelphia, Lehigh and Berks. Mendoza selected Dr. Ivan Lugo, Associate Dean at Temple University’s School of Dentistry and an endearing “celebrity” to the Hispanic media, as its ambassador for the CHIP campaign in Spanish. Newspapers praised the Commonwealth’s efforts in rolling out a bilingual initiative, which Dr. Lugo touted as “*the first...primarily because of partnerships with Latino social service agencies in places like Lehigh Valley, Philadelphia and Reading to promote it.*” Dr. Lugo’s call to action to Latino consumers through the media yielded positive feedback evidenced by significant media headline coverage, and also served to spread the powerful “word-of-mouth” message through a highly trusted symbol of the Latino community.

CHIP Documentary

Mendoza utilized a docu-video about CHIP that provided an emotional and testimonial call to action to uninsured families, and one that would also be useful in motivating influencers in the community who work with or can identify potential CHIP families.

To date, 4,592 docu-videos have been distributed and 205 community organizations have participated in Mendoza’s workshop presentations of the docu-video. While the grassroots approach was aggressive, the message was sustained through a frequently played two-minute vignette of the video aired on local Spanish-language stations.

Enrollment Drives

Seven provider venues were selected for broadcast-driven Latino enrollment drives. The enrollment drives proved to be an extremely effective method of reaching potential CHIP families in a highly personalized way. Some highlighted outcomes of the enrollment drives included:

- 70 families who visited community-based organizations (CBOs) inquired about CHIP
- 60 families applied for CHIP
- 40 families applied on-site with the assistance of a bilingual CHIP street team and/or provider specialist
- A slight increase in calls to the CHIP hotline during the media campaign period
- Anecdotal and qualitative research that would help in the overall analysis

Health Fairs and Community Events

Approximately 50,000+ Latinos were directly reached through CHIP’s branding message at certain key events from March through September 2005. The estimated media impressions for the same events were 575,000. Mendoza’s criteria in selecting these events focused on identifying grassroots activities that allowed more opportunity for personalized interaction with a smaller audience size to extend beyond the CHIP brand. This strategy allowed Mendoza to invest in affordable activities by way of sponsorship and/or “community working dollars.”

Results

The consistent observation that became obvious early in the implementation of the tactical plan was the need to focus on two general themes: (1) spend more time explaining what CHIP’s

health insurance is and who may qualify; and (2) community organization intake specialists spend more time taking care of the technical business (completing the appropriate enrollment documentation) and have less time available for the individual questions and answers. Overall, the 2005 outreach campaign reinforced that education of the CHIP program and personal contact with families continue to be vital in the Latino community.

Insurers Participating in the Program:

Insurers participating under the prior contract, which was due to expire on June 30, 2005, but extended through November 30, 2005, included:

- Aetna
- AmeriChoice
- Blue Cross of Northeastern Pennsylvania (coverage provided by First Priority Health)
- Capital BlueCross (coverage provided by Keystone Health Plan Central)
- Highmark (formerly known as Highmark Western Pennsylvania Caring Foundation)
- The Independence Blue Cross & Highmark Blue Shield Caring Foundation (coverage provided by Keystone Health Plan East)
- Unison Family Health Plan of Pennsylvania, Inc. (formerly know as Three Rivers Children's Health Plan, Inc.)

The Department issued a Request for Proposal (RFP) on June 17, 2005, inviting proposals for the purpose of awarding new three-year contracts. Proposals were reviewed and contracts were awarded, effective December 1, 2005, to the same seven insurers from the previous contract, as well as one new insurer, UPMC Health Plan. The Department is currently working with UPMC Health Plan to begin the administrative work to be a contractor in 27 southwestern counties.

Primary Health Services Funded for the Year:

Primary services funded for the year were those directed by Section 2311(l)(6) of Act 1998-68 and include:

- Preventive care
- Diagnosis and treatment of illness or injury
- Injections and medications
- Emergency care
- Prescription drugs
- Emergency, preventive and routine dental care
- Emergency, preventive and routine vision care
- Emergency, preventive and routine hearing care
- Inpatient hospital care

Ancillary medically necessary and therapeutic services include mental health services, treatment for substance abuse, rehabilitative therapies, home health care, durable medical equipment and maternity care. The average statewide cost per child for providing all services was \$132 monthly (\$1,584 annually).

Health Plan Employer Data and Information Set (HEDIS) data compiled over the past four 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 Medicaid nationally and regionally.

Examples of the most recently available HEDIS data indicate:

- The 2005 PA CHIP average for children 3 to 6 years of age who received one or more well-child visits with a primary care practitioner was 71%, reflecting an increase of 6.2 percentage points from the 2004 PA CHIP average (64.8%). At 71%, the PA CHIP average is higher than the Medicaid National (62.7%) and Regional (67.9%) averages, and more than 6 percentage points higher than the Commercial National average (64.4%) but lower than the Commercial PA and Regional averages.
- Children's access to primary care, ages 2-11, for CHIP has gradually increased since 2002, with the exception of a slight drop in 2003 which can be attributed to one Managed Care Organization (MCO). At 89.9%, the 2005 PA CHIP average is comparable to the Commercial National (88.3%), Regional (90.3%), and PA (90.6%) averages. The PA CHIP average is higher than Medicaid National (82.4%) and Regional (84%) by several percentage points.
- The use of appropriate medications for children with asthma rate shows a steady yearly improvement from the 2002 baseline year (68.8%) and a 2.4 percentage point increase from the 2004 PA CHIP average (70.3%). At 72.7%, the PA CHIP average is higher than the Commercial National (71.5%) and Commercial Regional (72%) averages and higher than the Medicaid National (62.8%) and Medicaid Regional (66.7%) averages, and less than one percentage point lower than the Commercial PA average (73.1%).

According to the 2005 Consumer Assessment of Health Plans Survey (CAHPS) – Chronic Care Conditions Questionnaire, 91.3% of PA CHIP members have a personal doctor or nurse – a medical home. This number reflects the responses of 2,333 members enrolled in five Commercial CHIP plans across the state. In 2004, the result was almost identical (91.5%). The regular CAHPS questionnaire (not chronic care conditions) was used in 2003 (87%) and 2000 (84%).

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

Emergency Department (ED) Visits:

Emergency Department visits (per 1,000 members)

Age <1

- The PA CHIP average of 489.3 ED visits is significantly higher than the Commercial National (309.4) and Regional (338) averages and the Medicaid National (87.1) and Medicaid Regional (90.8) averages, despite a decrease of 206 visits to the ED per

1,000 PA CHIP members this year. This age group continues to have the highest utilization of emergency services for the three age ranges.

Ages 1-9

- The PA CHIP average of 308.2 ED visits has decreased slightly for the third consecutive year but remains significantly higher than the Commercial National (190.2) and Regional (206.6) averages and the Medicaid National (41.4) and Regional (90.8) averages per 1,000 members.

Ages 10-19

- The PA CHIP average of 301.1 ED visits, a very slight decrease from last year, remains significantly higher than the Commercial National (168.4) and Regional (185.1) averages and the Medicaid National (32.8) and Regional (41.1) averages per 1,000 members.

Mental Health Utilization

Inpatient Discharges (per 1,000 members)

Ages 0-12

- The average number of mental-health related discharges for PA CHIP (2.3) was double the Commercial National (0.8) and Regional (1.1) averages and significantly higher than the Medicaid National (0.3) and Regional (0.6) averages per 1,000 members.

Ages 13-17

- The PA CHIP average of 13.2 was higher than the Commercial National (7.6) and Regional (8.8) averages but closer to the Commercial PA average (10.1). The PA CHIP average was significantly higher than Medicaid National (1.4) and Regional (2.4) averages per 1,000 members.

Percent of Members Receiving ANY Mental Health Services

Ages 0-12

- The PA CHIP average of 6.4% was approximately one and a half times higher than the Commercial National (3.7%) and Regional (4%) averages. The PA CHIP average was significantly higher than the Medicaid National (3.9%) and Regional (2.1%) averages.

Ages 13-17

- The PA CHIP average of 9.6 % was comparable to the Commercial National (8%) and Regional (8.4%) averages and the Medicaid National (8.1%) average. The Medicaid Regional (4.6%) average is significantly lower than all other rates.

Chemical Dependency

Inpatient Discharges (per 1000 members)

Ages 0-12

- There were no reportable chemical-dependency related services for PA CHIP, Commercial, or Medicaid for this age range.

Ages 13-17

- The PA CHIP average (2.2) for chemical dependency-related inpatient discharges was twice that of Commercial National (0.9) and Regional (0.9) averages but closer to the Commercial PA (1.3) average. The PA CHIP average was significantly higher than the Medicaid National (0.1) and Regional (0.2) averages.

Percent of Members Receiving ANY Services

Ages 0-12

- There were no reportable chemical dependency-related services for PA CHIP, Commercial, or Medicaid for this age range.

Ages 13-17

- The PA CHIP average (0.9%) for members receiving any chemical dependency-related services was comparable to the Commercial National (0.5%) and Regional (0.5%) averages and the Medicaid National (0.6%) and Medicaid Regional (0.3%) averages.

We are working toward the goal of trending HEDIS data to determine the strengths and weaknesses of the program and individual contractors. We desire to turn data into a comprehensive picture of services, utilization, and health improvements. We want to use data as a decision trigger for future efforts – data-driven health planning – rather than data for mere collection.

Projected Number of Eligible Children

It is estimated that there are approximately 133,600 uninsured children in Pennsylvania. Of that number, 54,600 are eligible but not yet enrolled in CHIP; 55,000 are eligible but not yet enrolled in Medicaid. The balance of approximately 24,000 children is ineligible for either program because family income exceeds the eligibility limits.

Many of the children not yet enrolled are in families whose income is at the upper reaches of the eligibility limits. This would place them in the “low-cost” CHIP component that requires the payment of a monthly premium.

The Number of Children on a Waiting List

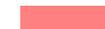
No children were placed on a waiting list for enrollment during this reporting period.

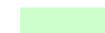
**CHIP Enrollment by County
December 2004 - December 2005**

COUNTY	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Last Month Growth	Avg. Monthly Growth	Growth Since Dec-04	County as a % of Total
TOTALS	134,160	133,993	133,957	134,759	134,901	135,744	136,511	136,659	136,312	136,470	136,363	137,698	138,198	0.4%	0.2%	3.0%	
ADAMS	1,256	1,263	1,262	1,278	1,281	1,290	1,301	1,315	1,287	1,293	1,318	1,372	1,397	1.8%	0.9%	11.2%	1.0%
ALLEGHENY	12,000	11,921	11,937	12,007	11,936	11,905	11,967	12,002	11,992	11,946	11,871	11,957	11,895	-0.5%	-0.1%	-0.9%	8.6%
ARMSTRONG	1,079	1,077	1,077	1,076	1,065	1,105	1,094	1,088	1,073	1,058	1,073	1,069	1,108	3.6%	0.2%	2.7%	0.8%
BEAVER	1,791	1,792	1,797	1,808	1,813	1,843	1,874	1,869	1,843	1,823	1,838	1,875	1,902	1.4%	0.5%	6.2%	1.4%
BEDFORD	980	1,007	1,005	1,002	1,023	1,052	1,066	1,069	1,072	1,102	1,091	1,120	1,130	0.9%	1.2%	15.3%	0.8%
BERKS	3,383	3,381	3,402	3,450	3,415	3,505	3,563	3,573	3,612	3,632	3,597	3,682	3,731	1.3%	0.8%	10.3%	2.7%
BLAIR	1,683	1,665	1,665	1,680	1,715	1,724	1,734	1,704	1,702	1,706	1,725	1,728	1,751	1.3%	0.3%	4.0%	1.3%
BRADFORD	762	756	769	757	764	779	775	775	760	754	741	745	737	-1.1%	-0.3%	-3.3%	0.5%
BUCKS	5,515	5,540	5,516	5,600	5,583	5,635	5,668	5,683	5,690	5,672	5,680	5,676	5,790	2.0%	0.4%	5.0%	4.2%
BUTLER	2,305	2,313	2,312	2,329	2,356	2,344	2,353	2,378	2,354	2,344	2,326	2,371	2,401	1.3%	0.3%	4.2%	1.7%
CAMBRIA	2,202	2,180	2,181	2,181	2,199	2,238	2,245	2,237	2,228	2,233	2,253	2,245	2,240	-0.2%	0.1%	1.7%	1.6%
CAMERON	92	89	90	89	80	81	78	75	75	74	73	69	66	-4.3%	-2.7%	-28.3%	0.0%
CARBON	730	754	736	728	735	739	755	744	747	756	770	787	796	1.1%	0.7%	9.0%	0.6%
CENTRE	827	824	813	814	814	819	823	834	849	858	858	870	879	1.0%	0.5%	6.3%	0.6%
CHESTER	4,043	4,016	4,070	4,101	4,070	4,075	4,103	4,088	4,098	4,094	4,089	4,163	4,165	0.0%	0.2%	3.0%	3.0%
CLARION	672	656	653	656	662	661	660	658	650	644	658	667	645	-3.3%	-0.3%	-4.0%	0.5%
CLEARFIELD	1,092	1,066	1,062	1,068	1,076	1,082	1,072	1,066	1,045	1,064	1,067	1,060	1,070	0.9%	-0.2%	-2.0%	0.8%
CLINTON	336	330	325	323	332	331	341	341	343	341	337	343	343	0.0%	0.2%	2.1%	0.2%
COLUMBIA	475	479	487	483	488	506	514	520	523	529	521	556	551	-0.9%	1.2%	16.0%	0.4%
CRAWFORD	1,156	1,123	1,109	1,097	1,111	1,150	1,149	1,129	1,100	1,076	1,082	1,084	1,105	1.9%	-0.4%	-4.4%	0.8%
CUMBERLAND	1,706	1,696	1,702	1,747	1,740	1,768	1,794	1,821	1,840	1,886	1,935	1,969	1,980	0.6%	1.2%	16.1%	1.4%
DAUPHIN	2,200	2,219	2,231	2,272	2,290	2,308	2,314	2,302	2,317	2,338	2,354	2,399	2,397	-0.1%	0.7%	9.0%	1.7%
DELAWARE	4,854	4,842	4,841	4,862	4,868	4,890	4,925	4,981	5,040	5,027	5,071	5,130	5,142	0.2%	0.5%	5.9%	3.7%
ELK	449	456	452	453	434	431	435	431	426	433	436	440	446	1.4%	-0.1%	-0.7%	0.3%
ERIE	3,570	3,538	3,506	3,495	3,545	3,525	3,538	3,537	3,479	3,482	3,452	3,461	3,442	-0.5%	-0.3%	-3.6%	2.5%
FAYETTE	1,988	1,972	1,955	1,975	1,961	1,965	1,988	1,956	1,959	1,937	1,941	1,949	1,959	0.5%	-0.1%	-1.5%	1.4%
FOREST	101	100	98	87	89	91	86	79	73	70	68	67	73	9.0%	-2.7%	-27.7%	0.1%
FRANKLIN	1,685	1,665	1,696	1,706	1,717	1,773	1,764	1,787	1,794	1,772	1,795	1,853	1,886	1.8%	0.9%	11.9%	1.4%
FULTON	238	235	236	245	240	236	238	248	245	259	266	269	277	3.0%	1.3%	16.4%	0.2%
GREENE	489	477	474	473	469	457	448	448	443	445	431	427	423	-0.9%	-1.2%	-13.5%	0.3%
HUNTINGDON	658	644	640	642	635	644	649	643	635	609	601	596	599	0.5%	-0.8%	-9.0%	0.4%
INDIANA	1,299	1,292	1,310	1,312	1,336	1,344	1,348	1,339	1,302	1,308	1,303	1,291	1,301	0.8%	0.0%	0.2%	0.9%
JEFFERSON	727	720	715	714	718	712	727	728	722	722	721	717	709	-1.1%	-0.2%	-2.5%	0.5%

**CHIP Enrollment by County
December 2004 - December 2005**

COUNTY	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Last Month Growth	Avg. Monthly Growth	Growth Since Dec-04	County as a % of Total
JUNIATA	294	281	289	287	283	293	296	297	300	296	302	306	324	5.9%	0.8%	10.2%	0.2%
LACKAWANNA	1,882	1,882	1,834	1,860	1,851	1,851	1,855	1,856	1,845	1,828	1,817	1,833	1,872	2.1%	0.0%	-0.5%	1.4%
LANCASTER	4,195	4,216	4,250	4,309	4,354	4,446	4,469	4,478	4,449	4,503	4,550	4,672	4,689	0.4%	0.9%	11.8%	3.4%
LAWRENCE	1,153	1,167	1,155	1,182	1,161	1,178	1,187	1,168	1,165	1,172	1,176	1,155	1,158	0.3%	0.0%	0.4%	0.8%
LEBANON	1,060	1,065	1,056	1,109	1,114	1,139	1,153	1,166	1,149	1,136	1,125	1,149	1,144	-0.4%	0.6%	7.9%	0.8%
LEHIGH	3,332	3,340	3,327	3,378	3,352	3,381	3,406	3,393	3,415	3,447	3,423	3,432	3,429	-0.1%	0.2%	2.9%	2.5%
LUZERNE	2,724	2,764	2,737	2,736	2,807	2,829	2,817	2,850	2,856	2,887	2,902	2,929	2,924	-0.2%	0.6%	7.3%	2.1%
LYCOMING	939	953	921	908	933	937	911	916	913	915	906	921	913	-0.9%	-0.2%	-2.8%	0.7%
MCKEAN	503	492	506	507	506	509	502	501	477	479	475	486	480	-1.2%	-0.4%	-4.6%	0.3%
MERCER	1,334	1,339	1,340	1,339	1,346	1,330	1,326	1,317	1,308	1,291	1,312	1,304	1,310	0.5%	-0.2%	-1.8%	0.9%
MIFFLIN	533	539	535	544	542	549	556	554	543	541	544	533	513	-3.8%	-0.3%	-3.8%	0.4%
MONROE	2,305	2,299	2,303	2,286	2,279	2,291	2,291	2,330	2,309	2,270	2,269	2,262	2,262	0.0%	-0.2%	-1.9%	1.6%
MONTGOMERY	6,075	6,120	6,073	6,121	6,094	6,093	6,150	6,175	6,181	6,227	6,232	6,319	6,341	0.3%	0.4%	4.4%	4.6%
MONTOUR	113	108	108	106	111	116	122	117	114	117	122	116	113	-2.6%	0.0%	0.0%	0.1%
NORTHAMPTON	2,260	2,280	2,348	2,411	2,397	2,396	2,401	2,430	2,431	2,464	2,482	2,525	2,558	1.3%	1.0%	13.2%	1.9%
NORTHUMBERLAND	883	868	873	870	873	892	890	889	891	899	894	911	901	-1.1%	0.2%	2.0%	0.7%
PERRY	449	457	460	497	505	507	537	547	555	570	565	563	559	-0.7%	1.8%	24.5%	0.4%
PHILADELPHIA	22,831	22,836	22,754	22,687	22,653	22,604	22,713	22,637	22,589	22,583	22,429	22,565	22,577	0.1%	-0.1%	-1.1%	16.3%
PIKE	885	872	851	854	878	888	882	886	880	891	880	893	903	1.1%	0.2%	2.0%	0.7%
POTTER	257	258	251	250	255	249	256	253	255	264	257	257	258	0.4%	0.0%	0.4%	0.2%
SCHUYLKILL	1,592	1,585	1,591	1,584	1,583	1,599	1,574	1,595	1,593	1,605	1,574	1,581	1,601	1.3%	0.0%	0.6%	1.2%
SNYDER	251	252	256	258	262	273	278	280	290	307	300	308	308	0.0%	1.7%	22.7%	0.2%
SOMERSET	1,369	1,372	1,379	1,398	1,398	1,386	1,408	1,388	1,373	1,346	1,354	1,364	1,376	0.9%	0.0%	0.5%	1.0%
SULLIVAN	40	41	40	38	39	36	40	52	51	52	51	48	45	-6.3%	1.0%	12.5%	0.0%
SUSQUEHANNA	540	541	548	548	547	548	564	575	585	588	594	618	606	-1.9%	1.0%	12.2%	0.4%
TIOGA	570	564	574	576	592	604	610	605	586	596	587	600	606	1.0%	0.5%	6.3%	0.4%
UNION	299	288	295	293	302	306	316	320	310	317	315	324	329	1.5%	0.8%	10.0%	0.2%
VENANGO	765	748	759	754	769	788	787	786	789	791	791	784	782	-0.3%	0.2%	2.2%	0.6%
WARREN	527	523	516	530	535	540	540	531	516	516	505	507	496	-2.2%	-0.5%	-5.9%	0.4%
WASHINGTON	2,379	2,352	2,333	2,304	2,272	2,311	2,355	2,350	2,330	2,321	2,285	2,295	2,311	0.7%	-0.2%	-2.9%	1.7%
WAYNE	800	806	824	830	832	842	820	835	841	835	835	859	849	-1.2%	0.5%	6.1%	0.6%
WESTMORELAND	4,221	4,209	4,214	4,246	4,261	4,295	4,341	4,331	4,297	4,314	4,347	4,414	4,429	0.3%	0.4%	4.9%	3.2%
WYOMING	288	294	291	298	310	312	320	328	326	330	335	325	317	-2.5%	0.8%	10.1%	0.2%
YORK	4,169	4,194	4,242	4,361	4,345	4,418	4,449	4,475	4,482	4,485	4,486	4,533	4,579	1.0%	0.8%	9.8%	3.3%

 = growth is negative

 = growth is greater than corresponding state average