



Pennsylvania's  
Children's Health  
Insurance  
Program

Commonwealth of Pennsylvania Edward G. Rendell, Governor M. Diane Koken, Insurance Commissioner

**ANNUAL REPORT TO THE STATE LEGISLATURE  
CALENDAR YEAR 2006**

## **Annual Children's Health Insurance Program (CHIP) Report – 2006**

Pennsylvania's Children's Health Insurance Program (CHIP) has 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.

During calendar year 2006, CHIP eligibility included two components which covered children up to age 19 with identical, comprehensive benefits. The free component covered children in families with a net family income no greater than 200% of federal poverty guidelines. Federal financial participation was received toward the cost of this coverage. The low-cost component covered children in families with a net income of no greater than 235% of the federal poverty guidelines. The parent or guardian was required to pay a subsidized premium as a condition of enrolling a child. The Commonwealth received no federal funding for this component of CHIP during calendar year 2006.

In 2006, record enrollments of children in CHIP and Medicaid were achieved through innovative outreach and marketing efforts, combined with strong partnering relationships with other agencies, advocacy groups, community partners, and insurance providers. CHIP enrollment averaged 144,095 for the 2006 calendar year, and reached an unprecedented enrollment of 150,819 in December 2006. This represents a 20-percent increase since Governor Rendell took office in January 2003.

Although Pennsylvania has one of the highest rates of health insurance coverage for children in the country, a 2004 survey commissioned by the Insurance Department determined that 133,600 children in Pennsylvania remained uninsured. Some of these children already qualify for publicly funded health insurance coverage, including the Medicaid Program and the free and subsidized CHIP. Others are children of working parents who are caught between public programs they are not eligible for because of income limits and private health insurance their parents cannot afford. Planned for implementation in March 2007, Cover All Kids is a CHIP expansion that will provide access to affordable, comprehensive healthcare coverage for all eligible uninsured children in Pennsylvania. During state fiscal year 2006-2007, CHIP and Medicaid anticipate enrolling more than 14,800 additional children at a total cost of \$14.7 million in state and federal funds (the breakdown between state and federal funding may vary depending on the income levels of the enrollees). We anticipate outreach efforts for CHIP will result in increases in enrollment of approximately 11,600 children in CHIP and 3,200 children in the Department of Public Welfare's Medicaid Program. We anticipate these enrollment increases will be achieved through enhanced outreach efforts, federally approved increases in income eligibility for subsidized coverage, and new opportunities for higher-income families to purchase health insurance coverage at the same amount it costs the Commonwealth. There will be no cost to the Commonwealth for those purchasing at cost.

Calendar year 2006 afforded the Pennsylvania Insurance Department (Department) with many opportunities to work with legislators, advocates, insurers, community partners, and other stakeholders to make available health insurance to Pennsylvania's uninsured children. The Department is proud to provide this annual report on the status of CHIP in calendar year 2006, and we look forward to continuing our efforts to cover the uninsured through the Cover All Kids expansion of CHIP in 2007.

### **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
- Specialist care
- 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
- Inpatient hospital care (90 days in combination with mental health)

Ancillary medically necessary and therapeutic services include mental health services, inpatient and outpatient treatment of substance abuse, rehabilitative therapies, home health care, durable medical equipment, and maternity care. The average statewide cost per child for providing all services was \$135.60 monthly (\$1,627.20 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 for preventive and primary care services, based on utilization occurring in 2005 and reported in 2006, indicate:

- The average adolescent immunization rate for CHIP was seventy-one and one-tenth percent (71.1%), seven (7) percentage points higher than the previous year, while the commercial national and regional rates were fifty-three and seven-tenths percent (53.7%) and sixty-three and nine-tenths percent (63.9%), respectively. National and regional Medicaid rates were forty-two and three-tenths percent (42.3%) and fifty and six-tenths percent (50.6%), respectively.
- Average adolescent well-care visits for CHIP was forty-seven and two-tenths percent (47.2%) while the commercial national and regional rates were thirty-eight and eight-tenths percent (38.8%) and forty-three and four-tenths percent (43.4%), respectively. Medicaid national and regional rates were forty and six-tenths percent (40.6%) and forty-six and four-tenths percent (46.4%), respectively.
- Average children's access to primary care practitioners for CHIP was eighty-nine and eight-tenths percent (89.8%) while the commercial national and regional rates were eighty-nine and one-tenth percent (89.1%) and ninety and seven-tenths percent (90.7%).

The national and regional rates for Medicaid were eighty-two and five-tenths percent (82.5%) and eighty-five and three-tenths percent (83.5%), respectively.

According to the 2006 Consumer Assessment of Health Plans Survey (CAHPS) – Chronic Care Conditions Questionnaire, ninety-two percent (92%) of PA CHIP members have a personal doctor or nurse – a medical home. Data shows that CHIP received an approximately ninety percent (90%) favorability rating in the areas of timely care and an approximately ninety-five percent (95%) overall satisfaction rating with healthcare services provided by the program.

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 2005 and reported in 2006 revealed the following results:

### **Emergency Department (ED) Visits:**

#### Emergency Department visits (per 1,000 members)

##### Age <1

- The PA CHIP average was 631 ED visits. This is an increase in ED visits from 489 visits in 2005. Five (5) of six (6) PA CHIP plans incurred an increase in ED visits during the 2006 measurement year. This is 250-300 visits higher than the national commercial rate of 334 visits and the regional commercial rate of 377 visits.

##### Ages 1-9

- The PA CHIP average was 332 visits. This is an increase in ED visits from 308 visits in 2005. All comparative PA CHIP plans incurred an increase in ED visits during the 2006 measurement year. This is 100-130 visits higher than the national commercial rate of 207 visits and the regional commercial rate of 229 visits.

##### Ages 10-19

- The PA CHIP average was 332 visits. This is an increase in ED visits from 301 visits in 2005. All comparative PA CHIP plans incurred an increase in ED visits during the 2006 measurement year. This is 125-150 visits higher than the national commercial rate of 178 visits and the regional commercial rate of 208 visits.

### **Mental Health Utilization**

#### Inpatient Discharges (per 1,000 members)

##### Ages 0-12

- The average number of inpatient mental health discharges for PA CHIP was two and five-tenths percent (2.5%). This is higher than the national commercial and regional rates of one percent (1% and 1.1%, respectively) and the national Medicaid rate of two percent (2%). The PA CHIP average was lower than the regional Medicaid average of three and three-tenths percent (3.3%).

##### Ages 13-17

- The PA CHIP average rate was fifteen and eight-tenths percent (15.8%). This is higher than the national commercial rate of eight and two-tenths percent (8.2%), the regional commercial rate of eight and nine-tenths percent (8.9%), and the national Medicaid rate

of fifteen percent (15.0%). The PA CHIP rate was lower than the regional Medicaid rate of thirty-seven percent (37%).

#### Percent of Members Receiving ANY Mental Health Services

##### Ages 0-12

- The PA CHIP enrollees receiving ‘any’ (inpatient, intermediate, and/or ambulatory) mental health services was five and seven-tenths percent (5.7%). This is higher than the national commercial rate of three and nine-tenths percent (3.9%) and the regional commercial rate of four percent (4.0%). The PA CHIP rate is lower than the regional Medicaid rate of eight percent (8.0%).

##### Ages 13-17

- The PA CHIP enrollees receiving ‘any’ mental health services was nine percent (9.0%). This is higher than the national commercial rate of eight percent (8.0%), the regional commercial rate of eight and four-tenths percent (8.4%), the national Medicaid rate of eight and seven-tenths percent (8.7%), and the regional Medicaid rate of eight percent (8.0%).

#### **Chemical Dependency**

Inpatient Discharges (per 1,000 member years)

##### Ages 0-12

- No measurable utilization reported for this age group.

##### Ages 13-17

- The discharge rate for PA CHIP was three and two-tenths percent (3.2%) for this age group. Half of the PA CHIP plans incurred a slight increase in utilization the 2006 measurement year. The PA CHIP rate was higher than the national commercial rate of one and one-tenth percent (1.1%), the regional commercial rate of nine-tenths of one percent (0.9%), the national Medicaid rate of one and one-tenth percent (1.1%), and the regional Medicaid rate of one and five-tenths percent (1.5%).

#### Percent of Members Receiving ANY Services

##### Ages 0-12

- No measurable utilization reported for this age group.

##### Ages 13-17

- The PA CHIP enrollees receiving ‘any’ (inpatient, intermediate, and/or ambulatory) services for chemical dependency was one and two-tenths percent (1.2%). The commercial national and the commercial regional rates were nine-tenths of one percent (0.9%), the national Medicaid rate was one and two-tenths percent (1.2%), and the Medicaid regional rate was eight-tenths of one percent (0.8%).

We are working toward the goal of trending HEDIS data to determine the strengths and weaknesses of the program and individual contractors. We plan to turn data into a comprehensive picture of services, utilization, and health improvements.

### **Insurers Participating in the Program:**

Insurers participating under the current three-year contracts, which were awarded effective December 1, 2005, are:

- Aetna
- AmeriChoice
- Blue Cross of Northeastern Pennsylvania (coverage provided by First Priority Health)
- Capital BlueCross (coverage provided by Keystone Health Plan Central)
- Highmark
- The Independence Blue Cross & Highmark Blue Shield Caring Foundation (coverage provided by Keystone Health Plan East)
- Unison Family Health Plan of Pennsylvania, Inc.
- UPMC Health Plan

### **Outreach and Enrollment Efforts:**

Marketing: CHIP focused its marketing and outreach efforts on motivating parents to enroll their children. The market segments the Department focused on included the “Not Me’s” (people who don’t think that their children would qualify) and Transitional Families (people whose lives and insurance status has changed due to divorce, loss of employment, etc.).

In its efforts to enroll 10,000 more children in 2006, CHIP tapped numerous sources of information on current enrollees to gain a better understanding of families’ attitudes and knowledge of CHIP in order to assist in its outreach and marketing decisions.

For instance, data collected from every caller to the CHIP Helpline showed that when CHIP TV ads and public service announcements (PSAs) ran, calls to the Helpline, requests for applications, and over-the-phone applications increased. Based on this information, CHIP ran TV ads and/or PSAs regularly throughout the year and Helpline call volumes increased each month over the prior year, with call volume spikes during ad runs.

A TV ad ran featuring a child playing basketball in a suit of armor. The messaging conveyed that CHIP lets “kids be kids” and that “we cover” unexpected life events. Brochures and posters complementing the TV themes were distributed statewide.

Gallup Survey: CHIP contracted with The Gallup Group to conduct a first-of-its-kind quantitative CHIP survey to establish a better understanding of the driving issues, barriers, and characteristics of families who choose and do not choose to apply for CHIP. Utilizing data from prior qualitative research on the program (i.e., Melior study and PPO&S study), Gallup surveyed a household panel that fit CHIP demographics. Gallup’s findings showed there is very high awareness and favorability toward CHIP. However, some misperceptions exist, including lack of awareness of the generous income limits, that the program is administered by private insurance company contractors,

and the high quality of CHIP coverage. These findings are being utilized in the coming year's planning efforts.

New CHIP Website: CHIP contracted with an information technology company to provide a new and more user-friendly CHIP website ([www.chipcoverspakids.com](http://www.chipcoverspakids.com)) that contains a full array of information including eligibility requirements, a "Do I Qualify" quiz, benefit information, how to apply, FAQs, how to order outreach materials, and various reports. In May, Deputy Commissioner Hoover launched the new CHIP website at the Carnegie Library in Pittsburgh in conjunction with the national awareness campaign, "Cover the Uninsured Week." The Helpline immediately reported an increase in calls and over-the-phone applications due to the website.

Web-Based Advertising: New to CHIP in 2006 was online advertising via Internet search engines. Due to its success, it is ongoing. Online advertising has delivered more than 28,000 visitors to the CHIP website, with over 55% of those visitors taking further action either by calling the Helpline (31%) or entering the "Apply Now" area of the site (69%).

COMPASS (Commonwealth of Pennsylvania Access to Social Services): COMPASS, the web-based application and renewal system ([www.COMPASS.state.pa.us](http://www.COMPASS.state.pa.us)), continues to be a well-used tool by citizens applying for healthcare coverage and other social service programs. Electronic signature was implemented for applications in 2006 and further simplified the process for families. From October 2005-October 2006, 117,110 applications (nearly double from the previous year) were submitted via COMPASS, with 98,057 of those applications for healthcare-related services (13,655 for CHIP, 5,630 for adultBasic, and 78,772 for Medicaid). Approximately 11.5 percent of all CHIP applications and 10.2 percent of CHIP renewals were completed online.

For the 2006 school year, the Department of Education began providing school meal program applications to citizens electronically via COMPASS. All public schools in Pennsylvania became COMPASS Community Partners and are now able to access COMPASS to track children on the school meal program. CHIP tied into this large effort by adding a healthcare pop-up box at the end of the school meal application, reminding families that they can also apply for healthcare benefits at the same time.

The interagency COMPASS team, led by CHIP, received approval to update the COMPASS website in October 2006. The new screens were developed to make COMPASS more user-friendly to citizens. The goal is to have more citizens apply and renew their CHIP and social service benefits through COMPASS, with the ultimate goal of increasing enrollment and improving renewal percentages. The new screens should be implemented in early 2007.

Cover the Uninsured Week: In coordination with the Robert Wood Johnson (RWJ) national effort, the Pennsylvania legislature passed a House resolution designating the week of May 1-7, 2006, as "Cover the Uninsured Week" in Pennsylvania. For a third year, RWJ chose Philadelphia as one of the targeted cities in America for their national efforts. In addition, CHIP contractors blanketed the state with CHIP events and activities, including health fairs, enrollment drives with community-based organizations, and community events.

CHIP partnered with the Hospital & Healthsystem Association of Pennsylvania (HAP) and the Department of Education's Bureau of Libraries in a major effort to promote CHIP. With its partners' assistance, CHIP conducted a mass mailing to 250 healthcare organizations and 641 libraries, which included a cover letter, CHIP posters and brochures, and COMPASS brochures (all in English and Spanish).

**Faith-Based Outreach:** CHIP staff attended the Eastern Regional Annual Ministerium Conference in April 2006. Over 450 pastors and delegates represented 141 congregations from Pennsylvania. CHIP presented and displayed information on how churches could assist uninsured Pennsylvania families. After the conference, the Stewardship Commission of the Ministerium included CHIP and COMPASS information packets in its monthly newsletter to its 141 congregations.

**CHIP Enrollment Campaign:** CHIP rolled out an enrollment campaign during spring and summer 2006. More than 50,000 Mother's Day CHIP cards were disseminated to day care centers, schools, YMCA/YWCAs, and other community organizations to provide to children in their programs. CHIP street teams provided on-the-ground outreach to communities statewide each day, handing out CHIP applications in CHIP bags at health fairs and other large public events.

**Pennsylvania Farm Show:** CHIP sponsored two Farm Show booths in 2006. At the main CHIP booth, information and giveaways were distributed. The theme this year was "tell a friend or family member." In total, CHIP provided information directly to more than 12,000 people. CHIP expanded its efforts in 2006 by partnering with other agencies and setting up a second booth with manned computers to allow people to privately apply for CHIP via COMPASS.

In 2006, CHIP utilized data provided by the Helpline to measure how callers heard about CHIP. The data showed that TV ads reach the broadest audience, flyers distributed through schools and County Assistance Offices drew the most CHIP calls overall, and word of mouth continued to strongly fuel awareness. We regularly encourage citizens to tell family, friends, co-workers, and neighbors about the program. In addition to these over-arching strategies, CHIP implements a number of other strategies to reach uninsured Pennsylvania families.

**School-Based Outreach:** In June 2006, CHIP distributed 2.2 million CHIP flyers with the message, "REALLY...a family of four can make \$47,000 a year and qualify for CHIP" to every public school and also offered the information to private schools. The Department of Education sent a broadcast email to its 501 school districts alerting them to the flyers and asking that they be distributed to all students. A CHIP cover letter detailing the importance of this effort was included in every box to eliminate confusion when school districts received shipments. For the first time, the School District of Philadelphia (350 schools) partnered with CHIP and created a summer intern project for the mailing.

**Retail Store Partnership:** Boscov's, a Pennsylvania-based chain of retail stores, stepped forward for a third year to invite CHIP to be a part of its annual back-to-school effort. During the weekend prior to the opening of the school year, Boscov's hosted back-to-school events that included CHIP representatives in most of its 25 stores.

Helpline--Connecting Citizens with CHIP: In 2006, the Commonwealth renewed its unique multi-agency contract for two more years with Policy-Studies Inc. (PSI) to manage Pennsylvania's Health and Human Services Call Center. The integrated call center supports seven statewide social service information and referral helplines for five state agencies, which provides a "one-stop-shop" for most state-offered social services. PSI specialists are cross-trained to handle calls from each of the helplines to maximize resources and offer the full range of available social services and information to citizens on one call.

Helpline staff members are also trained to identify uninsured callers and offer information and assistance with programs such as CHIP and Medicaid. 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 website address to apply or renew on their own via the web. PSI also maintains a list of applications submitted and paper applications mailed to callers and conducts follow-up calls to ensure that a "result" has occurred with each caller.

PSI has high-quality operations standards that it constantly monitors to ensure a consistent level of service excellence. Quality assurance monitoring is also conducted by the state agencies. PSI met or exceeded all key performance indicators in 2006. In 2006, the call center answered 82,110 Healthy Kids calls (14% increase from previous year), mailed over 67,205 CHIP/adultBasic applications, made more than 9,560 COMPASS referrals, and completed 3,660 COMPASS applications online.

In October 2005, PSI began calling CHIP enrollees whose coverage was ending because they had not renewed benefits after receiving three renewal notices. Each family received at least two calls. 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. In SFY 05-06, the center made a total of 28,226 calls to families who had not renewed benefits.

PSI also publicly promoted its seven helplines. In 2006, PSI participated in more than 80 outreach activities targeting a range of resident populations including community organizations, schools, healthcare facilities and providers, churches, and the Hispanic community, among others.

Interagency Initiatives: The work of the nationally-recognized interagency workgroup continues. Participating agencies include the Departments of Health, Insurance, Public Welfare, and Education. Key initiatives undertaken during the reporting period include:

- Philadelphia Family Court Pilot: The Departments of Health, Insurance, and Public Welfare are working with the Philadelphia Family Court's Domestic Relations division on a COMPASS pilot. Two court staff members assist uninsured families involved in court proceedings to complete CHIP applications via COMPASS. Outreach includes referrals from service units and an internal CHIP commercial that plays in waiting areas.
- Interagency COMPASS Workgroup: CHIP continued its role in leading the interagency COMPASS workgroup in exploring and implementing ways to improve communications

and outreach to families in need of CHIP and other social service programs through the COMPASS online application. Of particular note is the recently approved COMPASS website re-design that the group worked on over the last year. It is anticipated that the new website will roll out in early 2007.

- **CHIP Information with Birth Certificates:** The Department of Health supports CHIP's efforts by issuing a specially designed CHIP brochure with each birth certificate issued.
- **Child Support Enforcement:** The Child Support Enforcement Unit of the Department of Public Welfare developed a CHIP training module for county Domestic Relations staff. CHIP materials are in the packets provided to families who come to Domestic Relations Offices and a CHIP link has been added to the child support website.
- **CareerLink Centers:** Based on outreach to the Department of Labor and Industry's CareerLink centers in 2005, there has been an increase in CHIP visibility and awareness in centers statewide. Pennsylvania CareerLink is a cooperative effort that provides one-stop delivery of career services and other needed services to job seekers and employers through local centers. Each of the 79 CareerLink centers has Internet access and computer labs available to the public, where citizens can access social services via COMPASS.
- **Women, Infants and Children (WIC) Offices:** The Department of Health's WIC program partnered with CHIP in a back-to-school campaign. The CHIP office mailed 96,000 English and 19,000 Spanish CHIP flyers to 24 local WIC agencies to distribute to all clients seen during required in-person visits. Even if the family had health insurance for their children, they received a flyer and were encouraged to share it with uninsured friends and family.

Consumer Advocates Continued Collaboration: The Covering Kids and Families coalition and the Reaching Out Interagency workgroup joined forces in 2006 and began holding joint meetings to avoid overlap, as most participants are from the same agencies and organizations. Through this effort, many excellent outreach ideas were exchanged and valuable information was shared, which CHIP is incorporating into its strategic 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.

Targeted Outreach to Specific Populations: Under the Pennsylvania CHIP statute, CHIP contracts are for a term of three years. Based on this requirement, the program went through the procurement process and contracted with eight managed care plans for the new contract term in 2005. In order to further outreach efforts to specific populations, the Department added language to the contract Request for Proposals (RFP) that required offers to describe how they would identify and address special populations, including non-white and non-English speaking children and children with disabilities; how they would reach different geographic areas, including rural and inner-city areas; and how they would address cultural and ethnic diversity in their outreach efforts. This contractual obligation provides even stronger focus on these specific outreach activities conducted statewide by CHIP's contracted insurance companies every day. Further, the program can monitor its contractors

to ascertain that they are reaching out to these special populations in the ways they described in their contractual responses.

A positive note on this subject: Seven of the eight CHIP contractors under the new contract were previous CHIP contractors. In their responses to the program's special populations' question, all of the previous CHIP contractors noted and provided examples of outreach that they were currently conducting specifically to special populations. Examples included minority and ethnic outreach to African-American, Hispanic, and Asian citizens, and programs and partnerships in rural counties with community-based organizations established in those communities. By adding this question to the RFP, the program brought additional focus to these communities by effectively asking applicants to further expand these efforts under the new contract.

Hispanic and African-American Outreach: CHIP chose to work with the Mendoza Group, a for-profit Hispanic agency with a history of health marketing initiatives within the Latino community, for a third year based on its successful work of focusing on two demographic segments of the Latino market, those unaware of CHIP and those who do not think that they qualify for CHIP.

In 2005, CHIP selected BrownPartners Multi-Cultural Marketing firm for its focused African-American efforts, based on its strong partnerships in the African-American community. BrownPartners, a for-profit agency, was established in 2002 as a full-service multicultural marketing firm that utilizes a range of communications tools to reach, influence, and motivate consumers of color. David W. Brown, President of BrownPartners, is a journalism graduate and also has a Masters in Theological Studies degree from the Eastern Baptist Theological Seminary.

The overall strategy for Hispanic and African-American outreach in 2006 was designed to allow continuous opportunities for more information and more education and was implemented through an aggressive grassroots tactical approach in spring and summer 2006 that empowered families to take the next steps towards enrolling their uninsured children in the CHIP program.

Community-Based Organizations (CBOs) provided a significant point of entry into these markets, and both Mendoza and BrownPartners utilized their extensive community network of resources and reached out to their communities by creating street teams that worked directly with citizens.

The implementation of the enrollment drive was formed around four key tactical approaches that were managed by the CHIP-trained street teams hired by Mendoza Group and BrownPartners:

- Media briefings and radio advertisements
- Presentations and distribution of approved CHIP collateral materials
- Enrollment drives
- Health fairs and culturally-relevant community events

Health Fairs and Community Events: African-Americans and Latinos were directly reached by CHIP's branding message at certain key events during the spring and summer enrollment drive. Mendoza's and BrownPartners' criteria for selecting these events focused on identifying grassroots activities that allowed more opportunity for personalized interaction with a smaller audience size to extend beyond just knowing about CHIP to taking action and applying for CHIP.

**Number of Children Receiving Health Care Services by County and by Per Centum of the FPL:**

Please refer to Attachment 1, a report that provides county-specific data for the number of children enrolled in the program during the reporting period of January through December 2006.

The total number of enrollment by per centum of the FPL for the period January through December 2006 was:

<b>Month - 2006</b>	<b>No greater than 200% of FPL</b>	<b>Greater than 200% but no greater than 235% of FPL</b>	<b>Total Monthly Enrollment</b>
January	130,359	8,335	138,694
February	130,188	8,395	138,583
March	130,684	8,554	139,238
April	131,867	8,393	140,260
May	133,479	8,526	142,005
June	135,005	8,496	143,501
July	136,050	8,595	144,645
August	137,044	8,744	145,788
September	138,594	8,798	147,392
October	139,539	8,816	148,355
November	141,037	8,826	149,863
December	141,868	8,951	150,819

Growth was achieved in 91% of our 67 counties over the reporting period. Adams, Berks, Bradford, Carbon, Clearfield, Columbia, Dauphin, Delaware, Elk, Franklin, Lackawanna, Lancaster, Lawrence, Lebanon, Lehigh, Lycoming, McKean, Mifflin, Monroe, Montour, Northampton, Northumberland, Perry, Pike, Snyder, Susquehanna, Union, Venango, Wayne, and Westmoreland Counties experienced growth in excess of ten percent (10%) over the reporting period.

Armstrong, Bedford, Centre, Chester, Clarion, Crawford, Cumberland, Fulton, Huntingdon, Juniata, Luzerne, Montgomery, Philadelphia, Schuylkill, Somerset, Washington, and York Counties achieved growth in the five percent (5%) to ten percent (10%) range.

In calendar year 2006, we achieved record enrollment numbers for ten (10) consecutive months. In December 2006, CHIP enrollment was 150,819 children, representing the highest monthly enrollment ever. This record in enrollment can be attributed in large measure to our focus 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 new CHIP website, and the improved renewal efforts to keep eligible children enrolled in the program.

### **Projected Number of Eligible Children**

As noted earlier, during a study of the insurance status of Pennsylvanians conducted in 2004, it was estimated that there were approximately 133,600 uninsured children in Pennsylvania. Of that number, 54,600 were eligible but not yet enrolled in CHIP; 55,000 were eligible but not yet enrolled in Medicaid. The balance of approximately 24,000 children was ineligible for either program because family income exceeded the current eligibility limits. Governor Rendell challenged the

CHIP program to enroll 10,000 children into the program during the calendar year in an effort to lower the number of uninsured children in the Commonwealth. We exceeded that enrollment goal.

Following receipt of federal approval for the CHIP expansion known as “Cover All Kids,” the program office plans to implement new income eligibility levels. This expansion is planned for a March 2007 implementation, and will provide families with incomes no greater than 300% of the FPL the option to enroll in the free or subsidized program, and families with incomes above 300% of the FPL will have the option to purchase affordable, quality health insurance for their children at the state-negotiated rate.

Planning for the Cover All Kids expansion of CHIP, we project an average enrollment goal for state fiscal year 2006-2007 of approximately 9,600 additional children whose families fall into the higher income ranges, as well as nearly 2,000 children who are currently eligible for free CHIP (those in families with income no greater than 200% of the FPL) but have not yet enrolled, for a total of 11,600 new enrollees. We expect our increased outreach efforts to also result in enrollment of approximately 3,200 children who are currently eligible for Medicaid but have not yet enrolled.

**Number of Eligible Children on Waiting Lists by County and by Per Centum of the FPL:**

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

**CHIP Enrollment by County  
January 2006 - December 2006**

COUNTY	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Last Month Growth	Avg. Monthly Growth	Growth Since Dec-05	County as a % of Total
<b>TOTALS</b>	<b>138,694</b>	<b>138,583</b>	<b>139,238</b>	<b>140,260</b>	<b>142,005</b>	<b>143,501</b>	<b>144,645</b>	<b>145,788</b>	<b>147,392</b>	<b>148,355</b>	<b>149,863</b>	<b>150,819</b>	<b>0.6%</b>	<b>0.7%</b>	<b>9.1%</b>	
ADAMS	1,435	1,423	1,433	1,474	1,503	1,530	1,567	1,600	1,603	1,625	1,636	1,638	0.1%	1.3%	17.3%	1.1%
ALLEGHENY	11,885	11,793	11,757	11,761	11,902	11,830	11,904	11,974	12,076	12,242	12,342	12,461	1.0%	0.4%	4.8%	8.3%
ARMSTRONG	1,119	1,102	1,110	1,102	1,105	1,116	1,123	1,135	1,181	1,190	1,199	1,181	-1.5%	0.5%	6.6%	0.8%
BEAVER	1,894	1,913	1,917	1,899	1,924	1,907	1,913	1,899	1,922	1,934	1,938	1,925	-0.7%	0.1%	1.2%	1.3%
BEDFORD	1,125	1,122	1,128	1,145	1,153	1,170	1,178	1,193	1,200	1,235	1,239	1,231	-0.6%	0.7%	8.9%	0.8%
BERKS	3,779	3,799	3,837	3,894	4,022	4,117	4,185	4,211	4,262	4,305	4,403	4,461	1.3%	1.5%	19.6%	3.0%
BLAIR	1,757	1,744	1,746	1,733	1,730	1,774	1,747	1,748	1,812	1,783	1,799	1,836	2.1%	0.4%	4.9%	1.2%
BRADFORD	733	746	743	774	776	793	781	813	825	836	844	832	-1.4%	1.0%	12.9%	0.6%
BUCKS	5,798	5,817	5,796	5,828	5,895	5,945	5,990	5,949	5,940	5,931	6,037	5,992	-0.7%	0.3%	3.5%	4.0%
BUTLER	2,389	2,383	2,386	2,390	2,414	2,443	2,400	2,379	2,383	2,370	2,388	2,416	1.2%	0.1%	0.6%	1.6%
CAMBRIA	2,244	2,225	2,215	2,231	2,250	2,266	2,273	2,262	2,291	2,310	2,312	2,337	1.1%	0.4%	4.3%	1.5%
CAMERON	66	71	70	62	64	64	63	61	56	54	55	55	0.0%	-1.5%	-16.7%	0.0%
CARBON	778	773	781	795	799	816	820	850	858	874	877	893	1.8%	1.0%	12.2%	0.6%
CENTRE	882	909	907	919	929	936	945	965	971	956	943	965	2.3%	0.8%	9.8%	0.6%
CHESTER	4,162	4,160	4,196	4,223	4,258	4,322	4,376	4,418	4,464	4,419	4,426	4,405	-0.5%	0.5%	5.8%	2.9%
CLARION	671	658	659	660	667	683	688	692	708	706	701	702	0.1%	0.7%	8.8%	0.5%
CLEARFIELD	1,102	1,085	1,118	1,122	1,123	1,124	1,146	1,150	1,163	1,183	1,184	1,194	0.8%	0.9%	11.6%	0.8%
CLINTON	341	329	336	340	336	340	336	335	337	334	339	331	-2.4%	-0.3%	-3.5%	0.2%
COLUMBIA	553	553	561	565	572	591	590	607	611	617	621	632	1.8%	1.1%	14.7%	0.4%
CRAWFORD	1,135	1,128	1,121	1,119	1,131	1,143	1,161	1,164	1,146	1,152	1,150	1,178	2.4%	0.5%	6.6%	0.8%
CUMBERLAND	1,975	1,984	1,974	2,017	2,041	2,060	2,079	2,097	2,150	2,153	2,165	2,169	0.2%	0.8%	9.5%	1.4%
DAUPHIN	2,391	2,391	2,451	2,468	2,523	2,582	2,596	2,638	2,659	2,625	2,634	2,651	0.6%	0.8%	10.6%	1.8%
DELAWARE	5,173	5,153	5,187	5,224	5,302	5,405	5,519	5,624	5,744	5,819	5,983	6,060	1.3%	1.4%	17.9%	4.0%
ELK	455	454	465	481	486	486	482	486	487	481	491	499	1.6%	0.9%	11.9%	0.3%
ERIE	3,442	3,416	3,454	3,456	3,457	3,471	3,455	3,494	3,518	3,526	3,576	3,608	0.9%	0.4%	4.8%	2.4%
FAYETTE	1,910	1,906	1,890	1,901	1,901	1,896	1,905	1,924	1,928	1,929	1,948	1,954	0.3%	0.0%	-0.3%	1.3%
FOREST	77	78	81	78	80	87	82	82	84	79	72	75	4.2%	0.2%	2.7%	0.0%
FRANKLIN	1,891	1,902	1,923	1,951	1,968	1,982	2,014	2,033	2,067	2,113	2,113	2,122	0.4%	1.0%	12.5%	1.4%
FULTON	271	267	272	269	286	281	286	292	294	289	293	295	0.7%	0.5%	6.5%	0.2%
GREENE	425	427	430	433	432	421	417	416	428	418	436	436	4.3%	0.3%	3.1%	0.3%
HUNTINGDON	596	607	598	597	617	619	627	630	628	650	636	650	2.2%	0.7%	8.5%	0.4%
INDIANA	1,306	1,291	1,285	1,264	1,253	1,272	1,276	1,272	1,299	1,321	1,317	1,356	3.0%	0.3%	4.2%	0.9%
JEFFERSON	723	736	755	766	760	747	737	728	725	710	734	739	0.7%	0.3%	4.2%	0.5%

**CHIP Enrollment by County  
January 2006 - December 2006**

COUNTY	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Last Month Growth	Avg. Monthly Growth	Growth Since Dec-05	County as a % of Total
JUNIATA	310	311	315	316	326	338	344	359	365	358	358	355	-0.8%	0.8%	9.6%	0.2%
LACKAWANNA	1,877	1,879	1,853	1,895	1,953	1,978	2,013	2,014	2,079	2,109	2,136	2,151	0.7%	1.2%	14.9%	1.4%
LANCASTER	4,795	4,813	4,918	4,995	5,100	5,207	5,269	5,379	5,489	5,561	5,678	5,804	2.2%	1.8%	23.8%	3.8%
LAWRENCE	1,167	1,188	1,199	1,217	1,236	1,275	1,292	1,277	1,299	1,283	1,296	1,303	0.5%	1.0%	12.5%	0.9%
LEBANON	1,168	1,190	1,208	1,224	1,266	1,307	1,329	1,346	1,371	1,375	1,410	1,430	1.4%	1.9%	25.0%	0.9%
LEHIGH	3,426	3,434	3,430	3,494	3,573	3,635	3,733	3,801	3,865	3,887	3,957	3,920	-0.9%	1.1%	14.3%	2.6%
LUZERNE	2,915	2,904	2,916	2,911	2,941	2,991	2,982	3,021	3,056	3,095	3,132	3,135	0.1%	0.6%	7.2%	2.1%
LYCOMING	930	926	941	957	968	1,000	1,002	1,019	1,056	1,059	1,076	1,083	0.7%	1.4%	18.6%	0.7%
MCKEAN	485	480	491	492	507	509	516	504	505	513	514	534	3.9%	0.9%	11.3%	0.4%
MERCER	1,288	1,263	1,260	1,267	1,283	1,294	1,328	1,299	1,331	1,322	1,287	1,302	1.2%	-0.1%	-0.6%	0.9%
MIFFLIN	516	521	537	544	552	560	556	556	569	560	568	577	1.6%	1.0%	12.5%	0.4%
MONROE	2,285	2,304	2,303	2,330	2,342	2,377	2,387	2,440	2,451	2,474	2,526	2,526	0.0%	0.9%	11.7%	1.7%
MONTGOMERY	6,395	6,424	6,477	6,460	6,568	6,577	6,667	6,704	6,750	6,833	6,865	6,904	0.6%	0.7%	8.9%	4.6%
MONTOUR	118	117	118	122	131	137	138	140	142	140	141	143	1.4%	2.0%	26.5%	0.1%
NORTHAMPTON	2,563	2,534	2,545	2,556	2,610	2,632	2,662	2,692	2,691	2,732	2,835	2,832	-0.1%	0.9%	10.7%	1.9%
NORTHUMBERLAND	910	918	922	939	968	981	978	992	1,017	1,019	1,024	1,032	0.8%	1.1%	14.5%	0.7%
PERRY	546	559	543	546	555	555	554	577	594	605	606	621	2.5%	0.9%	11.1%	0.4%
PHILADELPHIA	22,678	22,625	22,770	22,998	23,136	23,423	23,575	23,730	23,899	23,999	24,157	24,212	0.2%	0.6%	7.2%	16.1%
PIKE	913	917	923	953	952	966	974	1,000	1,009	1,014	1,028	1,014	-1.4%	1.0%	12.3%	0.7%
POTTER	254	253	248	239	242	244	250	254	242	241	249	255	2.4%	-0.1%	-1.2%	0.2%
SCHUYLKILL	1,648	1,648	1,665	1,669	1,687	1,671	1,681	1,666	1,700	1,716	1,739	1,734	-0.3%	0.7%	8.3%	1.1%
SNYDER	310	317	337	339	347	352	366	368	374	380	389	395	1.5%	2.1%	28.2%	0.3%
SOMERSET	1,379	1,368	1,359	1,353	1,374	1,389	1,385	1,400	1,417	1,449	1,466	1,490	1.6%	0.7%	8.3%	1.0%
SULLIVAN	46	44	46	48	47	46	46	42	41	45	45	46	2.2%	0.2%	2.2%	0.0%
SUSQUEHANNA	596	616	611	621	627	635	659	647	656	651	669	679	1.5%	1.0%	12.0%	0.5%
TIOGA	610	596	601	602	605	616	613	611	615	611	616	610	-1.0%	0.1%	0.7%	0.4%
UNION	336	345	352	354	364	370	364	366	368	372	378	378	0.0%	1.2%	14.9%	0.3%
VENANGO	800	784	797	790	809	817	828	847	852	863	855	881	3.0%	1.0%	12.7%	0.6%
WARREN	495	500	491	493	481	488	484	486	493	484	483	484	0.2%	-0.2%	-2.4%	0.3%
WASHINGTON	2,318	2,300	2,321	2,337	2,369	2,378	2,395	2,407	2,423	2,442	2,490	2,534	1.8%	0.8%	9.6%	1.7%
WAYNE	849	843	844	863	870	881	896	897	917	930	921	940	2.1%	0.9%	10.7%	0.6%
WESTMORELAND	4,433	4,419	4,418	4,451	4,532	4,578	4,646	4,704	4,753	4,830	4,889	4,944	1.1%	0.9%	11.6%	3.3%
WYOMING	321	321	323	314	310	299	311	318	325	329	328	317	-3.4%	0.0%	0.0%	0.2%
YORK	4,531	4,577	4,574	4,633	4,714	4,765	4,757	4,803	4,870	4,895	4,939	4,975	0.7%	0.7%	8.6%	3.3%

 = growth is negative

 = growth is greater than corresponding state average