# 2013 Children's Health Insurance Program Annual Report

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## Executive Summary

Pennsylvania's Children's Health Insurance Program (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) and amended and reauthorized by Act 74 of 2013. It 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 nationwide that met Congressional specifications.

In early 2007, after passage of Act 136 of 2006, Pennsylvania received approval from the federal government to expand eligibility for CHIP in what was called *Cover All Kids.* As of March 2007, free CHIP coverage has been available to eligible children in households with incomes no greater than 200% of the Federal Poverty Level (FPL), low-cost CHIP coverage has been available for those with incomes greater than 200% but not greater than 300% of the FPL, and families with incomes greater than 300% of the FPL have had the opportunity to purchase coverage by paying the full rate negotiated by the state.

In February 2009, the federal Children's Health Insurance Program Reauthorization Act (CHIPRA) reauthorized the national CHIP program. Federal funding pays for about two-thirds of the total cost of Pennsylvania's CHIP. Under CHIPRA, CHIP's federal funds allotment was substantially increased. However, CHIPRA contained numerous new federal mandated program requirements, including citizenship and identity verification, a mandate to provide coverage for orthodontic services, a mandate to make supplemental payments in certain circumstances to Federally Qualified Health Centers and Rural Health Clinics, a variety of process requirements when CHIP provides coverage through managed care plans, the obligation to provide information about dental providers to be used on a new federal website, and expanded reporting.

The Affordable Care Act (the Patient Protection and Affordable Care Act together with the Health Care and Education Reconciliation Act of 2010) (the "ACA"), signed into law in March 2010, provides additional changes for the national CHIP program. The ACA extended federal funding of CHIP programs through 2015, as well as added a requirement that states must maintain the MA and CHIP eligibility standards, methods and procedures in place on the date of passage of the ACA or refund the state's federal stimulus funds under The American Recovery and Reinvestment Act of 2009 (ARRA). (CHIP waiting lists are permitted in the event of limited state funding.)

The requirements and opportunities presented by CHIPRA and the ACA continue to challenge the CHIP staff of the Insurance Department, and the volume of program enhancements has made it difficult to get adequate guidance from CMS. Numerous unanswered questions remain about the future of CHIP in Pennsylvania and the nation as the ACA-contemplated exchanges continue to develop and CHIP and Medicaid eligibility standards continue to be revised. Nevertheless, throughout 2013, the Department focused on implementation challenges and continued to work with advocates, insurers, community partners, legislators, federal regulators and other stakeholders

to make health insurance available and accessible to Pennsylvania's uninsured children, improve outcomes, and comply with applicable state and federal laws.

**Services**

Services funded for the year include those required by Section 2311(*l*)(6) of the Act or other laws:

- Preventive care, including physician, nurse practitioner and physician assistant services;
- Specialist care, including physician, nurse practitioner and physician assistant services;
- Autism services, not to exceed $36,000 annual benefit cap (specified by Act 62 of 2008);
- 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, and medically necessary orthodontia;[1]
- 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, hospice 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 lawful admitted alien);
- Pennsylvania resident;
- Not eligible for Medical Assistance;
- Not currently covered through employer-based or private health care coverage;
- Until October 2013, families whose incomes fell in the low-cost and full-cost CHIP ranges had to also show that their children had been uninsured for six months unless their children were under age two, had lost health insurance because a parent lost a job, or were moving from another public health insurance program. Act 74 of 2013 removed this period of uninsurance effective October 16, 2013; and
- For families whose incomes fall in the full-cost CHIP range, comparable insurance must be either unavailable or unaffordable.

[1] As a result of the CHIP Reauthorization Act of 2009 (CHIPRA), medically necessary orthodontia was added to the dental benefits package. The orthodontia benefit is capped at a lifetime maximum of $5,200. The yearly dental benefit limit is $1,500.

The ACA relaxed the longstanding federal restriction on coverage for otherwise CHIP eligible children of state employees who are also eligible for health coverage with some subsidy through their parents who are state employees. CHIP coverage is now available on a case-by-case basis for part-time and seasonal state employees' children where the annual aggregate amount of premiums and cost sharing a family pays exceeds five percent of income. During 2013, 38 children were found to meet the hardship exception, 28 of whom were eligible to participate in CHIP. Of the 28, 23 were enrolled in 2013, 3 were not enrolled and 2 were enrolled effective January 1, 2014. Ten were not eligible to participate due to having active private insurance, Medical Assistance (MA) or were found to be low income and referred to MA.

**Costs and Contributions**

CHIP continues to provide identical, comprehensive benefits to individuals enrolled in the free, low-cost, and full-cost components of the program, which are illustrated in Attachment 1.

Free CHIP covers children in families with an adjusted gross household income no greater than 200% of the FPL. 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.

Low-cost CHIP covers children in families with an adjusted gross household income greater than 200% but no greater than 300% of the FPL. 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. Enrollment in low-cost CHIP is divided into three increments with progressively increasing premiums:

- Greater than 200% but no greater than 250% - 25% of the per-member-per-month (PMPM) cost. The average cost to the enrollee in 2013 was approximately $51.
- Greater than 250% but no greater than 275% - 35% of PMPM cost. The average cost to the enrollee in 2013 was approximately $71.
- Greater than 275% but no greater than 300% - 40% of PMPM cost. The average cost per child to their families in 2013 was approximately $81.

Children in low-cost CHIP also are charged point-of-service co-payments for primary care visits ($5), specialists ($10), emergency room care ($25, waived if admitted), and prescriptions ($6 for generic and $9 for brand names). There are no co-payments for well-baby visits, well-child visits, immunizations, or emergency room 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 may buy into coverage at 100% of the cost negotiated with each of the health insurance contractors. The average premium for 2013 was $226. No federal or state dollars are used to provide coverage for families in the full-cost group. In addition, children in families with adjusted

gross income greater than 300% FPL are charged point-of-service co-payments for primary care visits ($15), specialists ($25), emergency room care ($50, waived if admitted), and prescriptions ($10 for generic and $18 for brand names).

## Insurance Contractors

The Department administers CHIP with at least two health insurance contractors offering coverage in every county of the Commonwealth. The following health insurers are now providing managed care coverage for children in CHIP under contracts effective December 1, 2013, through November 30, 2015:

- Aetna
- 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)
- UnitedHealthCare Community Plan of Pennsylvania
- UPMC Health Plan

## Outreach

With limited funds and an ever-shifting economic climate, CHIP focused its efforts on grassroots initiatives and partnerships, as well as social media outlets. CHIP's efforts targeted ways to reinforce our key messages and increase enrollment. CHIP placed strong emphasis on taking action and applying. In all of our marketing and outreach efforts, we strive to go beyond awareness to encourage families to act.

CHIP staff and the daily grassroots outreach efforts of its health insurance company contractor outreach staff continued to prove successful. Outreach included venues where folks could take the next step and enroll, such as health fairs, libraries, hospitals, community events and meetings. CHIP continually develops and supports partnerships with grassroots organizations that serve as "CHIP Champions" in their communities.

Governor Corbett committed funding in the 2013-14 state fiscal budget to re-energize the program's marketing and outreach efforts.

CHIP staff developed a strategic media buy that began rolling out in the 2nd quarter with an online search buy, and transit advertising in the Philadelphia, Pittsburgh, Harrisburg, Lancaster, Allentown, Reading, Wilkes-Barre/Scranton and Erie markets. The transit ads appeared on both the interior and exterior of buses in those areas.

In the fall of 2013, CHIP was on the road from Scranton to Erie, building community awareness at special events and enrollment fairs statewide.

**CHIP Helpline**

The Healthy Kids helpline is the statewide, toll-free automated helpline that citizens can call to find out more about the CHIP and Medical Assistance (MA) programs and how to obtain health coverage. On average, for the second year in a row, this line continues to receive approximately 7,000 calls a month.

The helpline continued to provide information to citizens with questions about the CHIP and MA programs, while encouraging callers to apply and renew online using COMPASS; to visit the CHIP website for more information; or to contact their existing CHIP health insurance plan or County Assistance Office (CAO) caseworker with eligibility and enrollment-related questions.

A full-time, permanent CHIP staff position was created and filled to handle calls from citizens who have issues that could not be resolved through the automated helpline or with the CHIP health insurance plans. The Department of Public Welfare's MA helpline handled MA-related calls.

Since its transition from a live-answer call center in June 2012, the program has received no specific complaints regarding the automated helpline from consumers, health insurance plans, internal staff, or from the Insurance Department Consumer Line. Further, the Helpline staff who take calls from citizens with issues are able to provide a greater level of service to those citizens, since these in-house agency staffers have greater access to eligibility and enrollment system information for applicants and enrollees. This expanded access and knowledge allows CHIP staff to work with callers in a more specific manner that provides more effective issue resolution in a more timely manner then if the employee were to point the caller to a certain place with only surface knowledge.

Overall, CHIP is pleased that we are maintaining the call volumes of the past while continuing to provide additional assistance to the citizens who need our services.

**School Notices**

CHIP continued to partner with the PA Department of Education (PDE) to send out 2.2 million, two-sided, English/Spanish CHIP "Really" flyers (Attachment 2) to all public school students. We also conducted a focused outreach effort to charter schools statewide.

**Effectiveness of Outreach**

We find that a multi-pronged marketing and outreach approach is very effective in reaching citizens with CHIP's message. Word of mouth and referrals continue to be CHIP's most valuable outreach method; to that end, CHIP outreach always encourages citizens to tell family, friends, co-workers and neighbors about the program. We also continue to develop and support partnerships with grassroots organizations who serve as "CHIP Champions".

In terms of media placements, we continued our online "search" buy which consistently increases visits to our website. And, we introduced a new campaign through transit bus ads throughout the

state. With the funding committed by Governor Corbett, CHIP's re-energized marketing and outreach campaign will continue to grow in 2014 to include various media strategies.

In addition to CHIP's over-arching strategies, CHIP and its insurance company contractor outreach staff continued daily grassroots outreach, focusing on venues where citizens could learn more and also take steps to enroll. Some examples of CHIP contractor marketing and outreach efforts included:

- UPMC for Kids, whose service area encompasses many of PA's 67 counties, partnered with Radio Disney to sponsor the "Attendance Counts" contest that involved western PA elementary schools tracking their attendance rates. The goal was to raise awareness about the importance of school attendance, while cross-promoting the value and availability of CHIP. Laurel Elementary School, from New Castle, won this contest and was awarded a "Rockin' Recess" assembly that featured students participating in a health-and-wellness quiz show hosted by Radio Disney. Laurel added an educational component by featuring "health informationals" for the students every day. CHIP and UPMC *for Kids* brands were featured in all "Attendance Counts" promotional materials, including "parent packs," flyers distributed at the five participating schools, and radio spots that aired on Radio Disney 1250AM.

- UPMC *for Kids* also partnered with the expERIEnce Children's Museum in Erie to promote proper hand washing and hand sanitization as a healthy step to prevent or slow the spread of germs that cause respiratory illnesses like the flu. Colorful and eye-catching posters were created and placed throughout the museum at each new hand sanitizing station, in advance of the flu season. Both the CHIP and UPMC *for Kids* logos were prominently featured on these posters.

- Independence Blue Cross (IBC) introduced a fresh new advertising campaign for its five-county Philadelphia area. New CHIP ads focused on building awareness in which parents can have peace of mind when choosing IBC. The campaign featured various relatable "In-the-moment" interactions between a parent and child that speak directly to how IBC can help parents with what they care most about….peace of mind that their children can live their lives to the fullest and count on having quality health care when they need it. The campaign complemented IBC's extensive outreach activities, ranging from health fairs to visits to legislative and provider offices to individual application assistance in both inner-city and suburban communities.

- Blue Cross of Northeast PA (NEPA) created a unique partnership with the Susquehanna Health LifeCenter located at the Lycoming Mall in Muncy, to increase awareness and prevention of various health conditions as they relate to children and adults. NEPA ensures that the LifeCenter is continually supplied with the latest CHIP materials so that the trained staff can offer application assistance and answer any inquiries as they relate to CHIP.

- Capital BlueCross (CBC), whose service area encompasses 21 central PA counties, was involved in many CHIP outreach efforts that included a more personalized approach to addressing individual family needs on a one-on-one basis. Greater emphasis was placed on spending time and answering questions through grassroots interactions, with expanded outreach to the Latino population. CBC developed a marketing strategy that included sending out CHIP literature to school districts as well as community partners.

- CBC also had an opportunity to leverage its new retail store by offering CHIP enrollment and insurance signups with representatives. CBC also held several CHIP public awareness events, including a car seat safety inspection with SafeKidsUSA and Lehigh Valley Health Network, where more than 75 seats were inspected and several expired car seats were replaced with free car seats sponsored by CBC and SafeKidsUSA.

- Geisinger Health Plan, whose GHP Kids service area covers 40 PA counties, continued a comprehensive approach to build CHIP awareness through community partnerships. In addition to providing health resources at public events, outreach representatives provided enrollment and eligibility information on-site at various social service agencies, nonprofit organizations, and childcare establishments. Materials were distributed to foster care and adoption centers to promote the advantages of CHIP. Presentations were given to staff at these facilities to provide adequate understanding of the referral and application process.

- GHP Kids collaborated with numerous faith-based entities and social ministries to reach populations who may be unaware of CHIP availability. This networking allowed GHP Kids to participate with over 40 food pantries and utilize those events as a platform to provide necessary community education about children's health coverage.

- Health Partners (HP) increased CHIP awareness and enrollment in its Philadelphia service area by starting a part-time "ambassador" program to provide information about CHIP at community centers and events. HP also provided CHIP and health issue information at teen mentoring/enrichment programs. And for Thanksgiving, HP included CHIP information in more than 200 baskets of food donated and delivered to needy families by its employees.

- Highmark, whose service area encompasses a majority of Pennsylvania's 67 counties, strived to identify uninsured PA children by partnering with various organizations and providing opportunities to enroll kids in CHIP. Highmark continued to play a role with individuals displaced from employment through the PA CareerLink offices by assisting them in enrolling their children in CHIP. Highmark also participated in 43 educational meetings and community events to educate families about CHIP.

- Highmark continued to utilize its ten retail stores and two mobile units to educate the community on the availability of CHIP. Staff was able to assess eligibility in the program and assist with the enrollment process.

- UnitedHealthcare Community Plan (UH), whose service area encompasses a majority of PA's 67 counties, provided 50 refurbished laptop computers to faith-based groups,

community partners and public schools. The recipients were chosen based on their ability to assist PA residents in underserved communities who often encounter language barriers and a lack of computer access.

- UH partnered with Sesame Street to bring "Healthy Habits for Life" to 10,000+ PA children ages 2-8. This initiative offered tools and resources to help parents and caregivers gain a greater understanding of the relationship between healthy eating habits and children's growth. Its Sesame Street partnership supported three distinct health initiatives which included: Lead Away, "A" is for Asthma, and Healthy Eating on a budget.

## Enrollment

### Projected Number of Eligible Children

The average enrollment for the calendar year 2013 was 188,120. The projected average enrollment for CHIP in state fiscal year 2013-2014 is 192,674. The projected enrollment is anticipated to be consistent with the current enrollment in terms of residence and poverty level.

### 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) for county-specific data for the number of children enrolled in the program during the reporting period of January through December 2013.

The total enrollment numbers for the several CHIP FPL categories for the period January through December 2013 were:

| 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 | 153,453 | 22,126 | 5,624 | 3,382 | 3,732 | 188,317 |
| February | 153,673 | 22,218 | 5,628 | 3,406 | 3,675 | 188,600 |
| March | 153,078 | 22,146 | 5,548 | 3,357 | 3,626 | 187,755 |
| April | 152,737 | 22,348 | 5,576 | 3,323 | 3,650 | 187,634 |
| May | 152,150 | 22,379 | 5,541 | 3,313 | 3,651 | 187,034 |
| June | 152,346 | 22,485 | 5,581 | 3,361 | 3,661 | 187,434 |
| July | 152,697 | 22,383 | 5,568 | 3,371 | 3,703 | 187,722 |
| August | 152,827 | 22,343 | 5,634 | 3,365 | 3,734 | 187,903 |
| September | 152,893 | 22,297 | 5,658 | 3,373 | 3,804 | 188,025 |
| October | 152,786 | 22,418 | 5,731 | 3,350 | 3,813 | 188,098 |
| November | 154,921 | 22,533 | 5,745 | 3,356 | 3,911 | 190,466 |
| December | 152,730 | 22,613 | 5,780 | 3,378 | 3,951 | 188,452 |

**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 CHIP 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 enrolled children. In 2013, the program measured all the CHIP contractors using HEDIS, and required commercial CHIP contractors to utilize MA-adapted HEDIS measurements to enable more reliable comparisons across insurance plans.

HEDIS data compiled in the past 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. Excerpts from the full report on preventive and primary care services based on utilization occurring in 2012 and reported in 2013 are available at Attachment 4 (HEDIS 2012 Report Card) and at Attachment 5 (Administrative Performance Measure Report). The full 2013 CHIP HEDIS report is available on CHIP's website at: http://www.chipcoverspakids.com/assets/media/pdf/2013_chip_hedis_comprehensive_report.pdf .

CHIP is trending HEDIS data to determine the strengths and weaknesses of the program and individual contractors. CHIP contracted with IPRO, an External Quality Review Organization (EQRO), to develop quality improvement initiatives based on HEDIS. Current initiatives focus on over-utilization of emergency room visits, obesity, and lead screening. The CHIP HEDIS 2013 report (based on 2011 and 2012 service dates, as appropriate to the measure), compared the CHIP health plan weighted average to the weighted average of all Pennsylvania Medicaid managed care plans and to the average of National Medicaid plans that submitted data to NCQA. For HEDIS 2013, the CHIP weighted average was higher than the PA Medicaid managed care average across the majority of measures assessing Effectiveness of Care (EOC) and Access and Availability (AA).

## Changes to the CHIP State Plan Approved in CY 2013

There were no approved changes to the CHIP State Plan during calendar year 2013.

## Conclusion

2013 was a challenging year for CHIP. However, through creative outreach, increased administrative efficiencies, and refinements to the program, CHIP has continued to serve the uninsured children of Pennsylvania. We look forward to continuing this public service in 2014.