

Covering Utah's Children

CHIP

Children's Health Insurance Program



Annual Report | 2010

"Knowing that my children had insurance coverage brought us a peace of mind and provided them with opportunities to obtain medical help when needed. CHIP is a wonderful program and we are so grateful for the help you have given us. I was recently hired and we now have health insurance for all family members and my children will not need to be insured through CHIP at this time."

- Cheryl, CHIP Parent



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Background

The Utah Department of Health (Department) manages CHIP through the Division of Medicaid and Health Financing, the same division that manages Utah's Medicaid Program. All eligibility actions are handled through the Department of Workforce Services (DWS). CHIP is a state-sponsored, health insurance plan for uninsured children whose parents' income is less than 200 percent of the federal poverty level (FPL). In 2010, this limit is equal to \$44,100 in annual income for a family of four.

Since being signed into law in 1998, CHIP has covered more than 212,000 Utah children, making it possible for them to get preventive care to stay healthy and medical services when they get sick or injured.

In accordance with Section 26-40-106, Utah Code Annotated, CHIP benefits were actuarially equivalent during fiscal year 2010 to benefits received by enrollees in Select Health's Small Business Account plan, the commercial plan with the largest enrollment in the State. In FY 2010 CHIP contracted with two HMO plans to provide medical services, Molina and the Public Employee's Health Plan (PEHP). All dental services were provided through PEHP's dental plan.

Year in Review

In July 2009, CHIP issued two Requests for Proposal (RFP) seeking bids from Health and Dental Plans interested in providing CHIP medical/dental benefits as a full risk contractor. This change meant that CHIP's capitated premium payments would serve as full payment for all services provided to clients enrolled in the plan and the successful bidder would accept full risk for expenditures that exceeded premium payments. In May 2010, CHIP awarded the following successful bidders with contracts:

- SelectHealth (Health Plan for the statewide network that covers Intermountain Healthcare hospitals)
- DentaQuest (Dental Plan available in Salt Lake, Utah, Weber and Davis counties)
- Premier Access (Dental Plan available statewide)

These providers began serving CHIP enrollees on July 1, 2010. Molina continues to also be a statewide health plan choice for CHIP enrollees.

As a grantee of the Robert Wood Johnson Foundation, Maximizing Enrollment for Kids project, the State endeavored to identify ways to streamline systems, policies and procedures that would reduce barriers to enrollment and retention of eligible children in Medicaid and CHIP. During the second year of the four year grant, the State conducted focus groups statewide with clients, eligibility workers and community advocates to determine where the greatest barriers are in our processes. The State also collaborated with the Utah State Tax Commission and DWS to implement House Bill 260 (2010) which allows DWS to use adjusted gross income from Utah taxes as income verification for CHIP renewals. Finally in conjunction with the Utah Indian Health Advisory Board, the State developed culturally appropriate American Indian CHIP and Medicaid outreach materials for the tribes to use as a resource for educating their tribal members.

As part of the 2009 Children's Health Insurance Program Reauthorization Act (CHIPRA), the State had worked on the ongoing implementation of new requirements including:

- External Quality Review– CHIP is now required to complete an annual external review of the quality of care provided by the Health Plans
- Mental Health Parity – CHIP is now required to eliminate the service limits on mental health benefits and match the cost sharing requirements to be equivalent to physical health benefits

In the latter part of the fiscal year, the program prepared for significant changes in July including:

- Annual re-benchmarking of benefits and co-payments to be actuarially equivalent to private plan benefits
- Implementation of the newly contracted Health and Dental Plans
- Transitioning CHIP premium payments to rolling quarters based on each client's enrollment date and shifting the collection of premium payments to the DWS Business Office

Private Insurance Option

In an effort to create private health insurance opportunities for individuals that qualify for CHIP, the Department obtained federal approval to offer families the ability to purchase their employer-sponsored health insurance rather than enroll their children in CHIP. Beginning November 1, 2006, the Utah's Premium Partnership for Health Insurance (UPP) program allows qualified families the opportunity to receive a rebate when they purchase health coverage through their work. In addition, qualified families also receive an additional rebate if they purchase dental coverage through their work. If the family does not purchase dental coverage for their children through their work, the children can be enrolled in CHIP dental coverage, which was provided through PEHP in FY 2010. Those rebates are currently \$120 per child per month for medical coverage and an additional \$20 per child per month for dental coverage.

In August 2010, there were 393 children enrolled in UPP. Of the 393 enrollees, 321 received both the medical and dental subsidy and 72 received the medical subsidy and enrolled in the CHIP dental plan.

In December 2009, UPP was given approval by the Centers for Medicare and Medicaid Services (CMS) to help low-income individuals and families pay for their COBRA coverage. Now families either COBRA eligible or already enrolled in COBRA may qualify to receive up to \$150 per adult each month and up to \$140 per child each month to help subsidize their monthly COBRA premium payment.

As directed by state law, the Department continues to push the federal government to approve an amendment that would allow UPP to provide rebates to families that purchase private, non-group coverage. This amendment was originally submitted in September 2008. The Department also included this amendment request in a waiver renewal request submitted in February 2010. The Department continues discussions with the federal government and is asking for approval of the amendment by December 2010. If the amendment is approved by that date, the Department hopes to offer this rebate option to families in the summer of 2011.

On March 24, 2010, President Obama issued an Executive Order that clarified how rules limiting the use of federal funds for abortion services would be applied to the new health insurance exchanges. The Department determined that the Executive Order in conjunction with the intent of state law regarding the use of public funds for abortion created new expectations in regards to the UPP subsidy. An emergency rule, effective April 1, 2010, was filed to prohibit UPP from reimbursing families that were enrolled in plans covering abortion services beyond the circumstances allowed for the use of federal funds (i.e., life of the mother, rape, or incest). In order to be eligible for UPP the insurance plan the family wishes to enroll in must meet the definition of "creditable coverage" as defined in Utah Administrative Code.

Financial

CHIP receives approximately 80 percent of its funding from the federal government under Title XXI of the Social Security Act with the other 20 percent coming from state matching funds. From FY 2001 to FY 2007, state funds came exclusively from the proceeds of the Master Settlement Agreement between the State and Tobacco companies. In FY 2008 to FY 2010, the state funding also included an appropriation from the General Fund.

- For FY 2001, the Legislature appropriated \$5.5 million from Tobacco Settlement funds in State match.
- For FY 2004, the Legislature increased CHIP funding to \$7.0 million to cover more children on the program and to restore dental services.
- For FY 2006, the Legislature increased the state share of CHIP funding to \$10.3 million to cover more children on the program.
- For FY 2008, the Legislature added \$2.0 million in ongoing General Fund and \$2.0 million in one-time Tobacco Settlement Restricted Fund to cover more children on the program. For FY 2008 the total appropriation of state funds was \$14.3 million (\$12.3 million in Tobacco Settlement Restricted Fund and \$2.0 million in General Fund).
- For FY 2009, the total appropriation in state funds is \$14.3 million (\$10.3 million in Tobacco Settlement Restricted Fund, \$2.0 million in General Fund and an expected \$2.0 million in carryover from FY2008).
- For FY 2010, the Legislature decreased the ongoing General Fund to \$0.5 million and increased the Tobacco Settlement Restricted Fund to \$14.1 million to cover the loss in the General Fund. The program also had \$2.9 million in carryover from FY 2009.

For FY 2010, CHIP spent \$69.0 million on health plan premiums and \$7.5 million on administration. The majority of the administrative costs are for eligibility determinations made by DWS. With an average monthly enrollment of 42,006 in FY 2010, the average cost per child was \$1,812 per year, or \$151 per month.

Cost Sharing & Benefits

In FY 2010, families paid quarterly premiums up to \$75 per quarter for enrollment in CHIP. The amount of premium varies depending upon family income. Families whose incomes are below 100 percent FPL and Native American families do not pay quarterly premiums. As of July 1, 2009, premiums for families from 151-200 percent FPL increased from \$60 to \$75. In addition, the Department began charging a \$15 late fee if families failed to pay their premiums on time. In FY 2010, CHIP collected \$2.1 million in premiums. Premiums are used to fund the CHIP program and are appropriated as dedicated credit in the annual CHIP budget.

In FY 2010, most CHIP families paid co-payments in addition to their quarterly premiums. Native American families do not pay co-payments. As established in federal regulations, no family on CHIP is required to spend more than five percent of their family's annual gross income on premiums, co-payments and other covered services over the course of a plan year.

Federal guidelines allow states to select from several options in creating a benchmark for CHIP coverage. As of July 1, 2008, CHIP moved to a commercial health plan benefit for its benchmark. In addition, as of July 1, 2010, CHIP adopted the commercial benefit for its dental benchmark.

Eligibility

As required by House Bill 326 (2008), CHIP does not close enrollment and continuously accepts new applications. Applications for CHIP and UPP can be submitted through the mail, in-person, and online. A simplified renewal form and process has been implemented to reduce unnecessary barriers for the families being served.

Basic eligibility criteria:

1. Gross family income cannot be higher than 200 percent FPL (for a family of four, 200 percent FPL is \$44,100).
2. The child must be a resident of the state of Utah, and a U.S. citizen or legal alien.
3. The child must be 18 years of age or younger.
4. The child must be uninsured and not eligible for Medicaid.

CHIP children are enrolled in the program for a twelve-month period.

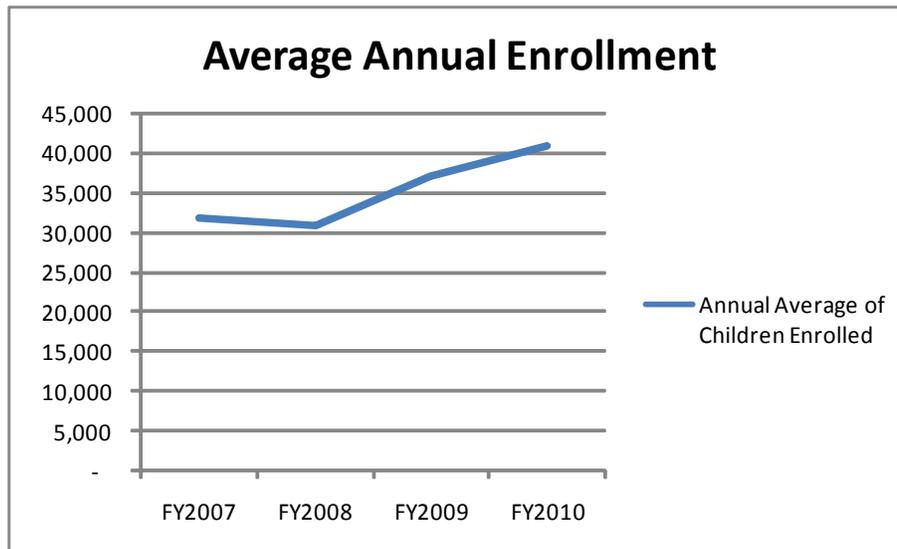
CHIP contracted with two health plans in FY 2010 to provide medical service for enrollees:

1. Molina
2. PEHP

CHIP contracted with the PEHP's dental plan in FY 2010 to provide dental services for all enrollees.

Enrollment

The following chart shows the average annual enrollment since CHIP was re-opened in July 2007:



Enrollment

As of August 2010, there were 40,460 children enrolled in CHIP. Of the current enrollees, the ethnicity, race, age and income breakdowns are as follows:

Ethnicity (as of August 2010)

Hispanic	10,465
Non-Hispanic	29,995

Race (as of August 2010)

White	37,159
Multiple Races	1,673
Asian	648
Native American/Alaska Native	488
Black	472
Native Hawaiian/Pacific Islander	413

Age (as of August 2010)

Less than 10	20,837
10 to 19	20,016

Income (as of August 2010)

Less than 100% FPL	17,286
101% to 150% FPL	14,958
151% to 200% FPL	8,615

Sixty-nine percent of CHIP children are residents of Davis, Salt Lake, Weber, and Utah counties. Thirty-one percent are residents of other counties.

Strategic Objectives & Performance Goals

The 2009 Consumer Assessment of Health Plans Survey (CAHPS) measured what parents thought about the care and services their children received from their CHIP health plan in the past year. A survey was mailed to CHIP parents in February 2009 and follow-up telephone surveys were conducted in April 2009. A total of 1,348 CHIP parents responded to the survey.

Goal #1: Improve access to health care services for children enrolled in CHIP.

- 89.9% of children ages 1 to 11 had a visit with a primary care practitioner in 2008
- 86.1% of parents said that getting necessary care for their child was “Not a problem”

Goal #2: Ensure CHIP enrolled children receive high quality health care services.

- 79.7% of parents rated their child’s health plan as an 8, 9, or 10
- 84.6% rated their health care received as an 8, 9, or 10
- 89.8% rated their personal doctor or nurse as 8, 9, or 10
- 86.5% rated their specialist as an 8, 9, or 10

Note: Above ratings were done on a scale of 0 to 10, with 10 being the highest rating and 0 being the lowest.

Goal #3: Insure that children enrolled in CHIP receive timely and comprehensive preventive health care services.

- 88.8% of parents surveyed said they “Always” or “Usually” got timely care

Core Performance Measures

The 2009 Health Plan Employer Data and Information Set (HEDIS) measurements are a core subset of the full HEDIS dataset reported by Utah's CHIP health plans to the Department based on information from patient visits in 2008. HEDIS consists of a set of performance measures that compare how well health plans perform in key areas: quality of care, access to care, and member satisfaction with the health plan and doctors.

Measure #1: Well-child visits in the first 15 months of life.

- 59.6% of CHIP enrolled children who turned 15 months old during 2007 and who had been continuously enrolled from 31 days of age, received at least 6 well child visits

Measure #2: Well-child visit in children the 3rd, 4th, 5th and 6th years of life.

- 46.4% of the CHIP enrollees ages 3-6 had one or more well-child visits with a primary care practitioner in 2008

Measure #3: Children's access to primary care practitioners.

- 87.8% of CHIP enrollees had one or more visits with a primary care practitioner in 2008

Future

As we look forward to FY 2011, CHIP faces the following opportunities and challenges:

- Continued analysis and implementation of new requirements resulting from the passage of CHIPRA
- Planning and implementing steps to reach the goals set out in the Maximizing Enrollment for Kids grant
- Analysis and planning for the transition of CHIP under Health Care Reform

"I have a child whom the insurance companies have labeled as 'uninsurable'. He was born with a pre-existing condition. Without CHIP we would have had a huge amount of medical debt which would have made it impossible to provide for our family. Thank you CHIP, for providing my child with a normal, healthy life."

- Stacy, CHIP Parent



CHIP

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1-877-KIDS-NOW
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