2015 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, amended by Act 136 of 2006, and amended and reauthorized by Act 74 of 2013 (the Act). 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 through the *Cover All Kids* initiative. As of March 2007, free CHIP coverage has been available to eligible children in households with incomes no greater than 208 percent of the Federal Poverty Level (FPL), Low Cost CHIP coverage is available for those with incomes greater than 208 percent but not greater than 314 percent of the FPL, and families with incomes greater than 314 percent of the FPL have 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 CHIP at the federal level. Federal funding pays for about two-thirds of the total cost of 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, provided additional changes for CHIP. The ACA extended federal funding of CHIP through September of 2015, as well as added a requirement that states maintain the Medical Assistance (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).

Throughout 2015, the department focused on making the Full Cost program minimal essential coverage (MEC) compliant effective July 1, 2015, as required by CMS. Through the initiatives of the governor and the insurance commissioner, CHIP worked with our insurance contractors to also enhance the benefits for our Free and Low Cost programs which became effective December 1st, 2015. CHIP was reauthorized until December 2017 at a state level in December 2015 however, numerous unanswered questions remain about the future of CHIP on a national level.

Nevertheless, during 2015, the department continued to work on resolving implementation challenges and the development of new initiatives to comply with all federal and state regulations.

CHIP continued to work with advocates, insurers, community partners, legislators, federal regulators and other stakeholders to make quality health insurance available and accessible to Pennsylvania's uninsured children.

Services

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

- Primary and preventive care, including physician, nurse practitioner and physician assistant services;
- Specialist care, including physician, nurse practitioner and physician assistant services;
- Autism services;
- Diagnosis and treatment of illness or injury;
- Laboratory/pathology testing;
- X-rays;
- Injections, immunizations and medications;
- Emergency care, including emergency transportation;
- Prescription drugs;
- Emergency, preventive and routine dental care, and medically necessary orthodontia;
- Emergency, preventive and routine vision care;
- Emergency, preventive and routine hearing care; and
- Inpatient hospital care.

Ancillary medically necessary and therapeutic services including inpatient and outpatient treatment of mental health, serious mental illness and substance abuse services, 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 lawfully residing in the U.S.);
- Not eligible for Medical Assistance;
- Not currently covered through employer-based or private health care coverage;
- For families whose incomes fall in the full-cost CHIP range, comparable insurance must be either unavailable or unaffordable.

Costs and Contributions

CHIP continues to provide identical, comprehensive benefits to individuals enrolled in the Free, Low Cost, and Full Cost components of the program.

Free CHIP covers children in families with an adjusted gross household income no greater than 208 percent 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 208 percent but no greater than 314 percent 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 208 percent but no greater than 262 percent – 25 percent of the per-member-per-month (PMPM) cost. The average cost to the enrollee in 2015 was approximately $47.
- Greater than 262 percent but no greater than 288 percent – 35 percent of PMPM cost. The average cost to the enrollee in 2015 was approximately $66.
- Greater than 288 percent but no greater than 314 percent – 40 percent of PMPM cost. The average cost per child to their families in 2015 was approximately $76.

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 percent of household income.

The third component, Full Cost CHIP, is for children in families with adjusted gross household income greater than 314 percent of the FPL, if private insurance is unaffordable or inaccessible. Families may buy into coverage at 100 percent of the cost negotiated by the department with each of the health insurance contractors. The average premium for 2015 was $213. No federal or state dollars are used to provide coverage for families in Full Cost. In addition, children in families with adjusted gross income greater than 314 percent 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, 2016:

- 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);
- United Health Care Community Plan of Pennsylvania and;
- UPMC Health Plan

Outreach

CHIP continued its multi-pronged marketing campaign through TV and radio advertisements, bus and bus shelter ad campaigns, billboards, and social media outlets. The existing creative was used to build upon the momentum that was created in 2013 – 2014.

CHIP outreach efforts continued with a strategic media buy that began in the 3rd quarter of 2014 and ran through the end of the fiscal year, June 2015. The media buy included online and social media advertising as well as placing transit advertising and bus shelter ads in 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.

We find that our 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.

Grassroots Outreach

With limited funds and an ever-shifting economic climate, CHIP focused additional efforts on grassroots initiatives and partnerships. CHIP's efforts targeted ways to reinforce our key messages to increase enrollment and renewals. CHIP placed strong emphasis on taking action to apply or renew so enrollees could continue to receive CHIP insurance without a lapse in health care coverage. 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, at such venues as health fairs, libraries, hospitals, community events and meetings. CHIP continually develops and supports partnerships with grassroots organizations that serve as "CHIP Champions" in communities all across the commonwealth.

CHIP signage was placed at neighborhood softball/baseball fields in urban communities where we were able to repeatedly reach parents and children throughout the spring softball/baseball season. The locations were primarily identified as having a large ethnic population, low household income and likely to have uninsured children in the household.

Additionally, with the growing popularity of urgent care centers, we were able to reach parents and guardians who were seeking treatment for healthcare issues by placing banner stands and brochures in the centers' waiting rooms and lobbies. Signage was placed in 42 urgent care locations across Philadelphia, Pittsburgh and Harrisburg and a few in rural areas for a three month period.

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 school students. A total of 380 schools received the flyers. "Really" flyers are available on the CHIP website for download and website visitors can request larger quantities through the electronic tool kit's online order form.

New Birth Flyer/COMPASS
CHIP continued to partner with the PA Department of Health (DOH) to distribute a double sided insert that accompanies complimentary birth certificates that DOH mails to the households of Pennsylvania newborns (Attachment 3). One side of the flyer promotes CHIP and informs the household that CHIP covers uninsured kids and teens. The other side of the insert promotes COMPASS, Pennsylvania's online application for social and human services. Over 144,000 inserts were printed in 2015.

Minority Market
Univision Network, a Spanish television station, aired a series of two minute vignettes promoting CHIP on their number one Spanish language morning show in Philadelphia called Despierta America. The vignettes aired five times per week for a total of 10 weeks from January through June 2015.

Contractor Outreach
CHIP insurance company contractors conduct community outreach at the local level in each of their service areas. Each county has two to six CHIP contractors, which provides for creative and effective coverage to underserved populations. Each CHIP contractor conducts marketing and outreach efforts in a different way, thus reaching different segments of Pennsylvania's diverse population. By conducting different outreach efforts across a range of contractors, CHIP has been successful in reaching a large portion of Pennsylvania's uninsured families.

Enrollment

Projected Number of Eligible Children
The average enrollment for the calendar year 2015 was 148,920. The projected average enrollment for CHIP in calendar year 2016 is 153,505. 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 4 (CHIP Enrollment by County) for county-specific data for the number of children enrolled in the program in December 2015.

The total enrollment numbers for the several levels of the FPL for the period January through December 2015 were:

Month	No greater than 208% FPL (Free)	Greater than 208% but no greater than 262% FPL (Low Cost Group 1)	Greater than 262% but no greater than 288% FPL (Low Cost Group 2)	Greater than 288% but no greater than 314% FPL (Low Cost Group 3)	Greater than 314% FPL (Full Cost)	Total Monthly Enrollment
January	107,720	24,670	6,226	5,215	3,633	147,464
February	109,172	24,730	6,315	5,206	3,706	149,129
March	111,278	24,659	6,269	5,027	3,548	150,781
April	108,435	24,904	6,346	4,985	3,467	148,137
May	107,599	25,355	6,391	4,950	3,584	147,879
June	106,639	25,184	6,408	4,941	3,770	146,942
July	107,414	25,505	6,447	5,004	3,924	148,294
August	107,517	25,494	6,523	5,067	4,057	148,658
September	107,671	25,536	6,553	5,009	4,312	149,081
October	107,498	25,734	6,663	4,951	4,504	149,350
November	108,241	25,832	6,752	4,868	4,648	150,341
December	108,596	25,974	6,803	4,869	4,743	150,985

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

Healthcare Effectiveness Data and Information Set (HEDIS) Measurements

The program continues to utilize the Healthcare Effective Data Information Set (HEDIS) performance measures to determine how the Pennsylvania CHIP plan compares to national and regional benchmarks, and the Consumer Assessment of Healthcare Provider Systems (CAHPS) to determine the level of satisfaction related to access, health status, and care received by enrolled children. In 2015, 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 2014 and reported in 2015 are available at Attachment 5 (HEDIS 2014 Report Card) and at Attachment 6 (Administrative Performance Measure Report). The full 2014 CHIP HEDIS report is available on CHIP's website at:
http://www.chipcoverspakids.com/assets/media/pdf/2015_hedis.pdf
The department is trending HEDIS data to determine the strengths and weaknesses of the program and individual contractors. The department contracted with IPRO, an External Quality Review

Organization (EQRO), to develop quality improvement initiatives based on HEDIS. The CHIP HEDIS 2015 report (based on 2013 and 2014 service dates, as appropriate to the measure), compared the CHIP health plan weighted average to the weighted average of all PA Medicaid managed care plans and to the average of National Medicaid plans that submitted data to NCQA. For HEDIS 2015, 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 2015

During calendar year 2015, CHIP did not submit any State Plan amendments.

CHIP Moves to the Department of Human Services (DHS)

Governor Tom Wolf signed HB 857 on December 20, 2015, which reauthorized and moved CHIP from the Insurance Department to the Department of Human Services. Aligning CHIP with the agency that administers the Medical Assistance program will provide new opportunities that will result in better care coordination for families and streamlined administrative operations. Pennsylvania's children will benefit from the efficiencies that will be gained by having the same agency administer both programs.

Conclusion

2015 was a challenging year for CHIP, as with most states, 2015 was a potent year for legislators including the debates related to CHIP as it relates to the ACA and funding. However, through creative outreach, increased administrative efficiencies, and refinements to the program, CHIP continues to serve over 150,000 Pennsylvania children and strives to increase enrollment of the uninsured population.