

OHIO'S HEALTHY START

CHILDREN'S HEALTH INSURANCE PROGRAM
(CHIP)

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CONGRESS MUST
RENEW FUNDING TO
CONTINUE HEALTH CARE
COVERAGE FOR CHILDREN.

WHO WE ARE

ABOUT VOICES FOR OHIO'S CHILDREN

Children only have one childhood. Voices for Ohio's Children helps keep the needs of Ohio's 3 million children prioritized at the local, state and federal levels. Our advocacy plays a big role in educating and influencing the community and public officials about sound public policies that help children succeed—ensuring that they are safe, healthy, educated, connected and employable.

OUR MISSION

Voices for Ohio's Children advocates for public policy that improves the well-being of Ohio's children and their families by building nonpartisan collaborations among the private, public and not-for-profit sectors.

OUR VISION

is for children's interests to be at the top of every community's agenda so all of Ohio's children are poised for success.

ABOUT



Founded in 2005 with a mission to expand and improve health coverage for America's children and families, Georgetown University Health Policy Institute is an independent, nonpartisan policy and research center. As part of the University's McCourt School of Public Policy, the Center for Children and Families provides research, develops strategies, and offers solutions to improve the health of America's children and families, particularly those with low and moderate incomes.

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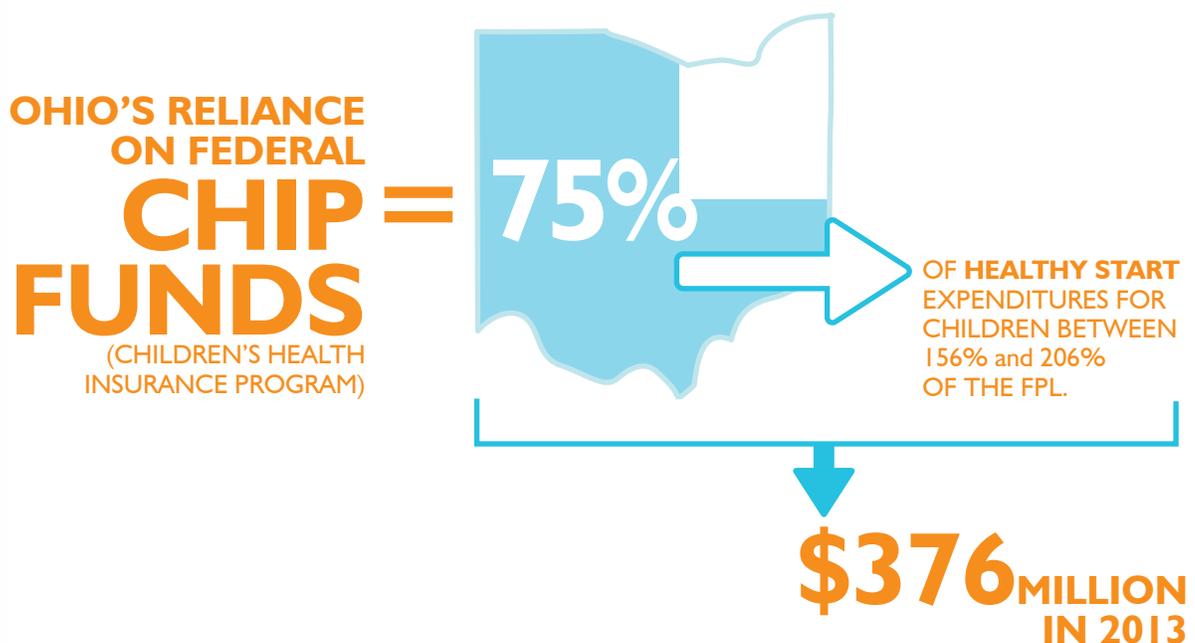
THIS BRIEF WAS JOINTLY PREPARED BY
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AND OHIO'S VOICES FOR CHILDREN.

INTRODUCTION

“OHIO IS A NATIONAL LEADER OF ENSURING THAT CHILDREN HAVE ACCESS TO HEALTH COVERAGE, BRINGING THE RATE OF UNINSURED KIDS TO ITS LOWEST LEVELS ON RECORD (5.3 PERCENT IN 2013).”¹

A shared commitment by state policymakers, Voices for Ohio's Children and other advocates in the Ohio Covering Kids and Families coalition have created this unprecedented success. In 2014, there has been a steady increase in the number of children relying on Ohio Medicaid and Healthy Start with enrollment climbing to over 900,000 children. Of these, an average of 130,000 children² received health coverage through Healthy Start, funded in part by the federal Children's Health Insurance Program (CHIP). Ohio relies on federal CHIP funds for nearly 75 percent of Healthy Start expenditures for children between 156 percent and 206 percent of the federal poverty level (FPL), totaling \$376 million in 2013. However, no new funds will be available for CHIP after September 30, 2015 if Congress does not take action. Extending federal funding for CHIP is essential to sustaining Healthy Start and ensuring stability and predictability in Ohio's state budget.

CHIP stands on the shoulders of Medicaid; together the two critical coverage programs have driven down the rate of uninsured children to its lowest levels on record. Congress must renew CHIP funding in order to continue to provide health care coverage for children and to ensure that we don't upend the historic progress in advancing children's health coverage.



HISTORY OF CHIP

CONGRESS CREATED CHIP IN 1997 WITH STRONG BIPARTISAN SUPPORT, AND A COMMITMENT TO MAKE HEALTH COVERAGE A REALITY FOR LOW-TO-MODERATE INCOME CHILDREN WHO LACKED ACCESS TO AFFORDABLE PRIVATE INSURANCE AND DID NOT QUALIFY FOR MEDICAID.

States have flexibility in program design, eligibility, and benefits within federal parameters. The federal government contributes a percentage of the cost, or matching rate, which varies by state from 65 to 81 percent based on per capita income. Unlike Medicaid, CHIP is a block grant.

In 2009, Congress passed the CHIP Reauthorization Act (CHIPRA), which funded the program through 2013 and created new tools and incentives for states to boost enrollment. One key feature of CHIPRA was the creation of a performance bonus program intended to reward states for adopting specific measures to increase enrollment and retention and meeting specific targets for enrolling eligible children in Medicaid.³ The Affordable Care Act (ACA) further strengthened CHIP and requires states to maintain their eligibility levels and enrollment procedures through 2019, but only two additional years of CHIP funding was appropriated.

Since its implementation, CHIP has spurred states to improve and increase children's coverage by removing red tape barriers to enrollment and retention. States seized the opportunity to adopt more innovative marketing and outreach approaches, including branding their CHIP programs, as seen with Healthy

Start. Most importantly, the public awareness and simplification measures inspired by CHIP create a welcome mat effect for children's enrollment in Medicaid.⁴ These efforts have been so successful that policymakers accelerated the adoption of state innovations in covering children by financing new data-driven eligibility systems to incorporate the simplified and streamlined procedures intended to advance children's coverage through the ACA.⁵

Currently, Congressional leaders on both sides of the aisle are contemplating the future of CHIP. During the summer of 2014, separate bills were introduced in the Senate and House, both of which extend funding through 2019. Additionally, bipartisan leaders of the Senate Finance committee and the House Energy and Commerce Committee sought input from governors on the role and importance of CHIP in their states and their support for extending CHIP funding.⁶ As of December 4, 2014, 40 governors (20 Republicans, 19 Democrats) have responded to this inquiry. The overwhelming majority of letters (38) praise CHIP, with 35 letters explicitly supporting extended CHIP funding.

THE PUBLIC AWARENESS AND SIMPLIFICATION MEASURES INSPIRED BY CHIP CREATE A WELCOME MAT EFFECT FOR CHILDREN'S ENROLLMENT IN MEDICAID.

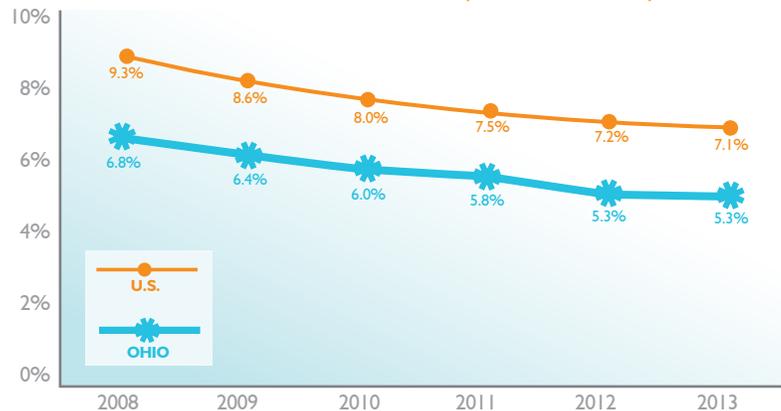
HEALTHY START SUCCESS IN OHIO

OHIO IS A LEADER IN COVERAGE FOR KIDS.

Ohio has demonstrated its commitment to covering kids through Medicaid and Healthy Start as evidenced by the state's continuing progress in reducing the number of uninsured children. Between 2008 and 2013, the uninsured rate among children in Ohio decreased from 6.8 to 5.3 percent.⁷ Given the success of enrolling more eligible children in 2015, there could be further gains when these data are updated next year.

Ohio has a strong history of removing bureaucratic barriers to coverage. Most recently the state implemented two critical measures: 12-month continuous eligibility and presumptive eligibility. With 12-month continuous eligibility, children may remain on their Medicaid or Healthy Start coverage for the full 12 months, even if their family's circumstances change during the year. Continuous eligibility prevents children from churning between health coverage programs, which may lead to gaps in health care. Presumptive eligibility connects children to coverage early by providing children with immediate, temporary eligibility for Medicaid or Healthy Start, while their families complete the regular application process. Ohio's efforts to streamline application and renewal policies, along with meeting specific enrollment targets for children in Medicaid, earned the state more than \$63 million in CHIPRA performance bonuses in 2010 through 2013.⁸

UNINSURED CHILDREN (2008 – 2013)



OHIO'S CHIPRA PERFORMANCE BONUSES



HEALTHY START IN OHIO PROVIDES COMPREHENSIVE, CHILD-CENTERED BENEFITS THROUGH MEDICAID.

States have the choice to use CHIP funds to create a separate program, expand Medicaid, or implement a combination of the two approaches.

For administrative efficiency and to provide the most robust benefits for children, Ohio chose to expand Medicaid to uninsured children in families with income between 156 and 206 percent of the federal poverty level (FPL).⁹ This ensures that all enrolled children have access to the full range of Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services, the pediatrician-recommended gold standard benefit package for children.

OHIO CHOSE TO USE CHIP FUNDS TO EXPAND MEDICAID— PROVIDING THE MOST ROBUST BENEFITS FOR CHILDREN.

HEALTHY START IS STILL ESSENTIAL

THE ACA RECOGNIZED THE IMPORTANCE OF MEDICAID AND CHIP FOR CHILDREN AND KEPT IT STABLE AS NEW COVERAGE OPTIONS BECAME AVAILABLE FOR ADULTS.

The state continues to work on transforming and extending Medicaid to low-income adults and the new health insurance marketplace needs time to mature. Now is not the time to

undermine Ohio's success in children's coverage. However, without renewed CHIP funding, the gains we have made in providing quality health coverage to children are in jeopardy.

HEALTHY START BENEFITS WERE DESIGNED FOR KIDS.

While the ACA has provided new pathways to coverage, Healthy Start remains essential for children for the foreseeable future. Healthy Start was created with children in mind, providing comprehensive physical, mental, vision, and oral health benefits that children need to grow and maximize their potential in life. Marketplace plans do not contain the same

robust benefits that Medicaid and Healthy Start provide to children and additional work needs to be done to ensure that marketplace coverage adequately meets the unique needs of children.

HEALTHY START IS MORE AFFORDABLE FOR FAMILIES.

In Healthy Start, families do not pay premiums or co-payments for services. On the marketplace, families will have to contribute to premiums and cost sharing for services. Several studies have shown that the difference in cost sharing can be considerable, particularly for families with children who have an existing health condition, such as asthma, or special

health care needs. Many low and moderate-income families will feel a greater strain on their budgets if they must pay the higher costs of marketplace plans. Moreover, cost sharing can be a barrier to accessing needed health care services for low-income families.¹⁰

AS MUCH AS \$146 MILLION IN FEDERAL FUNDS TO SUPPORT CHILDREN'S COVERAGE IS AT RISK IF FUNDING FOR CHIP IS NOT EXTENDED.

In Ohio, uninsured children under age 19, whose family income is between 156 and 206 percent FPL, are eligible for Healthy Start. For this group of children, Ohio receives a higher federal match rate, which is currently 73.85 percent for CHIP compared to the 62.64 percent match received for Medicaid.¹¹ The ACA's Maintenance of Effort (MOE) provision protects children's coverage through 2019, ensuring Ohio's children will retain their coverage through Medicaid or Healthy Start. However, without CHIP funding renewal, Ohio will lose the enhanced match used to cover children in Healthy Start.

Preliminary estimates indicate that Ohio could lose as much as \$47 million in federal funding in 2016 under the current CHIP matching rate.¹² The state would have to make up this funding loss, threatening investments in children and health and putting pressure on other parts of the budget. On the other hand, if CHIP is extended with the ACA's planned 23 percentage point increase in match for Healthy Start, Ohio could see a boost of an additional \$99 million in federal funds for children's coverage under Healthy Start.

**WITHOUT CHIP FUNDING RENEWAL,
OHIO WILL LOSE THE ENHANCED
MATCH USED TO COVER
CHILDREN IN HEALTHY START.**

WHAT'S AT STAKE FOR OHIO?

PRELIMINARY ESTIMATES SHOW:



FEDERAL FUNDING FOR HEALTHY START IS NECESSARY TO MAINTAIN STABILITY AND PREDICTABILITY IN OHIO'S STATE BUDGET.

With an estimated \$146 million in federal funding on the line in 2016, Ohio's state budget will be severely impacted by whatever action Congress takes with regard to CHIP. Ohio's biennial state budget process for FY 2016-17 will begin January 2015. Since federal CHIP funds are set to expire on

September 30, 2015, Congress must act fast so that states can adequately prepare their budgets. Without the assurance of federal funds for Healthy Start, Ohio may have to look to other aspects of its state budget, possibly disrupting more than children's health care coverage.

CONGRESS MUST RENEW CHIP FUNDING TO PRESERVE HEALTHY START.

Children's health coverage can't afford a false start. Congress must take action to renew CHIP funding before September 30, 2015, to ensure Ohio does not lose millions in federal funds to support children's coverage. CHIP provides a great boost to Ohio's state budget, while providing quality health care coverage for children. It is critical for Congress to renew CHIP funding as soon as possible to allow states time for budget planning and stability.

TO ENSURE THAT EVERY CHILD HAS A HEALTHY START, WE MUST REMOVE HEALTH COVERAGE HURDLES. OHIO'S LEADERS HAVE A CHANCE TO SET A NATIONAL EXAMPLE AND SUPPORT CHIP BY WORKING TOGETHER TO EXTEND CHIP FUNDING.

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OHIO'S HEALTHY START

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