

Side-by-Side: Major Provisions of Children's Health Insurance Coverage Bills, June 4, 2007

CURRENT LAW		CLINTON/DINGELL: CHILDREN'S HEALTH FIRST ACT (S 895/HR 1535)	ROCKEFELLER/SNOWE: CHIP REAUTHORIZATION ACT OF 2007 (S1224)	EMANUEL/RAMSTAD ¹ : HEALTHY KIDS ACT OF 2007 (HR 2147)
WHO'S COVERED				
Coverage for Children	Income <ul style="list-style-type: none"> SCHIP up to 200% FPL or 50% points above income level at enactment Age <ul style="list-style-type: none"> Up to age 19 Limits—States cannot cover: <ul style="list-style-type: none"> Children with group coverage State employees' children Documented immigrant children 	Income <ul style="list-style-type: none"> SCHIP up to 400% FPL Unsubsidized SCHIP buy-in for higher-income children (required for state that expand to 400% FPL) Age <ul style="list-style-type: none"> Up to age 25 Removal of existing limits: <ul style="list-style-type: none"> State employees' children Documented immigrant children 	Income <ul style="list-style-type: none"> State option to expand to 300% FPL or 50% points above income level at enactment Option to expand further if state meets conditions Age <ul style="list-style-type: none"> No change Removal of existing limits: <ul style="list-style-type: none"> State employees' children Documented immigrant children 	Income <ul style="list-style-type: none"> No change Age <ul style="list-style-type: none"> No change Removal of existing limits: <ul style="list-style-type: none"> Documented immigrant children
Coverage for Other Groups	Waivers for: <ul style="list-style-type: none"> Pregnant women Parents Childless adults prior to 2005 	Pregnant women <ul style="list-style-type: none"> If Medicaid eligibility to 185% FPL, children's coverage at 200% FPL, no higher than kids' eligibility limit Includes documented immigrants 	Pregnant women <ul style="list-style-type: none"> If Medicaid eligibility to 185% FPL, no higher than kids' eligibility limit Includes documented immigrants 	Pregnant women <ul style="list-style-type: none"> If Medicaid eligibility to 185% FPL, children's coverage at 200% FPL, no higher than kids' eligibility limit Includes documented immigrants
ENROLLMENT AND OUTREACH				
Eligibility Simplification	<ul style="list-style-type: none"> States have a number of options to simplify the application States are required to check citizenship documentation for Medicaid 	<ul style="list-style-type: none"> Express Lane (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) State option for how to assess citizenship; automatic newborn eligibility Model for interstate coordination 	<ul style="list-style-type: none"> Express Lane (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) State option for how to assess citizenship; automatic newborn eligibility 	<ul style="list-style-type: none"> Express Lane (use financial information from other means tested programs to help find and enroll children in Medicaid and SCHIP) Model for interstate coordination
Financial Incentives for Outreach	None	<ul style="list-style-type: none"> Increased federal matching rate for children's coverage in Medicaid if states implement continuous eligibility, model outreach and enrollment practices Increased federal matching rate linked to upper income eligibility limit; equals SCHIP enhanced matching rate for states with upper income limits at 400% FPL 	<ul style="list-style-type: none"> Increased federal matching rate for children's coverage in Medicaid if a state's: <ul style="list-style-type: none"> Medicaid enrollment growth exceeds benchmark or Participation rate of low-income children in Medicaid and SCHIP is at least 90% and it meets specified process measures Increase proportional to performance in both cases, up to a limit of an 85% federal match 	<ul style="list-style-type: none"> Increased federal matching rate of 2% points for children's coverage in Medicaid and SCHIP if states adopt a specific set of outreach practices Grants (\$50 million annually from '08-12) for local gov'ts, safety net, schools, faith-based organizations for outreach, with an emphasis on enrolling rural or minority children
Waiting lists	<ul style="list-style-type: none"> Allowed in non-Medicaid SCHIP programs 	<ul style="list-style-type: none"> Prohibits waiting lists 	<ul style="list-style-type: none"> Prohibits waiting lists as a condition of receiving higher FMAP (Financial Incentives for Outreach) 	<ul style="list-style-type: none"> Prohibits waiting lists
WHAT'S COVERED				
Benefits	Must be benchmark coverage or equivalent <ul style="list-style-type: none"> FEHBP BCBS State employees' plan Most popular HMO Pre-existing coverage Secretary-approved plan Must cover certain services 	<ul style="list-style-type: none"> Requires that state-employee benchmark be the most popular family coverage option Ends use of Secretary approved coverage Requires EPSDT services including dental services, FQHC and RHC services 	<ul style="list-style-type: none"> Requires that state-employee benchmark be the most popular family coverage option Requires coverage of dental and mental health Ends use of Secretary approved coverage Clarifies Medicaid EPSDT 	No change

¹ Senator Durbin has also sponsored this bill in the Senate: S. 1364.

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Employer-based coverage	<p>Premium assistance waiver: States can subsidize children's coverage in employer plans if:</p> <ul style="list-style-type: none"> Employers contribute 60% Coverage is cost effective Coverage is as generous as in SCHIP 	<ul style="list-style-type: none"> Buy-in: Permits states that cover children up to 200% FPL to allow employers and families to buy-in to SCHIP Support for employer coverage: Permits states that expand to 400% FPL to provide financial assistance (up to 50% of the cost per child) to employers who cover children in family policies with benchmark SCHIP benefits 	<p>Modifies premium assistance to:</p> <ul style="list-style-type: none"> Simplify the family-based and state-level cost effectiveness test Include disclosure requirements for group health plan benefits Maintains and strengthen current-law requirements regarding cost sharing and wrap-around coverage 	No change
FINANCING				
Allotment structure	<p>States' allotments are a share of a national amount: \$5 billion in FY 2007</p>	<ul style="list-style-type: none"> States' allotments are based on states' past spending trended by pre-set growth factors (see distribution formula) 	<p>States' allotments are a share of a national amount: \$8.525 billion in FY 2008, rising to \$15.4 billion in FY 2012</p>	<p>States' allotments are a share of a national amount: \$7.5 billion in FY 2008, increased by growth in per-capita national health spending and children's population growth</p>
Distribution formula	<p>National amount allocated by states':</p> <ul style="list-style-type: none"> Number of children (equal blend of low-income children and low-income, uninsured children) and Geographic adjuster <p>Subject to floors and ceilings</p>	<ul style="list-style-type: none"> States' allotments equal FY 2007 spending, increased by growth in per-capita national health spending and state child population growth Rebased every 2 years to actual spending 	<p>National amount reduced by 5% (see "adjustment") and allocated by:</p> <ul style="list-style-type: none"> Historical spending, trended by growth in per-capita national health spending and U.S. child population growth Share of low-income, uninsured children, adjusted for state wage factor Floors protect allotments Rebased every 2 years to actual spending 	No change
Adjustment of allotment due to higher-than-expected costs	None	<ul style="list-style-type: none"> Allotment automatically adjusted for enrollment of children above a baseline 	<ul style="list-style-type: none"> 5% of national amount set aside to allocate to states whose costs exceed their allotments 	<ul style="list-style-type: none"> Allotment automatically adjusted for enrollment of children above a baseline If sum of total adjustments exceed 20% of total federal spending, Congressional approval required
Distribution/Redistribution	<ul style="list-style-type: none"> 3 years to spend federal allotments 	<ul style="list-style-type: none"> 2 years to spend federal allotments 	<ul style="list-style-type: none"> 2 years to spend federal allotments Unused funds get recycled 	<ul style="list-style-type: none"> 1 years to spend federal allotments Unused funds get recycled
Territories	<ul style="list-style-type: none"> Amount equal to 0.25% of national amount, plus additional amounts specified in law 	<ul style="list-style-type: none"> Territories' allotments determined the same way as states', including enrollment adjustment 	<ul style="list-style-type: none"> FY 2008—sets allotments for territories at highest level from 1997 through 2007 multiplied by adjustment Exempts increased federal matching rate for reporting from territories' cap GAO study funding 	<ul style="list-style-type: none"> Exempts increased federal matching rate for outreach from territories' cap
OTHER POLICIES				
Other Increased Federal Matching Rates	None	<ul style="list-style-type: none"> 90% match for school based outreach and enrollment efforts 75% match for IT to improve eligibility computer systems; for outreach and enrollment efforts in multiple languages 	<ul style="list-style-type: none"> 75% match for IT to improve eligibility computer systems, for outreach and enrollment efforts in languages other than English, and for quality measure reporting 	<ul style="list-style-type: none"> 75% match for IT to improve eligibility computer systems
Other Policy Changes		<ul style="list-style-type: none"> Creates Medicaid SCHIP Payment Advisory Commission (MACPAC) 	<ul style="list-style-type: none"> Creates Medicaid and SCHIP Payment and Access Commission (MACPAC) Develops measures and funds demonstrations to promote quality Childhood obesity demo (\$25 million over 5) IOM study and report on children's access to care (\$1 million) Funding for Census to improve data collection (\$20 million annually) Periodic reports to Congress on improving care, quality Moratorium on Payment Error Rate Measurement requirements 	<p>Tax credit for children's coverage:</p> <ul style="list-style-type: none"> Children with income between 200- 350% FPL not eligible for Medicaid/SCHIP Amount of credit: Phases down from 75% to 50%; may be advanced to plans Applicable to: group insurance or other state-designed coverage that meets certain standards Coverage must be guarantee issue, community rated, with no riders <p>Offset: Includes tax policy change to pay for bill</p>

Notes: Unless otherwise noted, all policies are state options.
 EPSDT—Early Periodic Screening, Diagnosis, and Treatment Program; FEHBP BCBS—Federal Employees Health Benefits Program Blue Cross and Blue Shield; FMAP—Federal Medical Assistance Percentages; FPL—Federal Poverty Level (The federal poverty limit for a family of four in 2007 is \$20,650); FQHC—Federally Qualified Health Centers; FY—Fiscal Year; GAO—General Accounting Office; HMO—Health Maintenance Organization; IOM—Institute of Medicine; IT—Information Technology; MACPAC—Medicaid and CHIP Program Access Commission; RHC—Rural Health Centers; SCHIP—State Children's Health Insurance Program