

***A National Look At Kids  
Coverage  
Now and in the Future***

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**KIDS FIRST ALASKA!**  
**October 19, 2010**  
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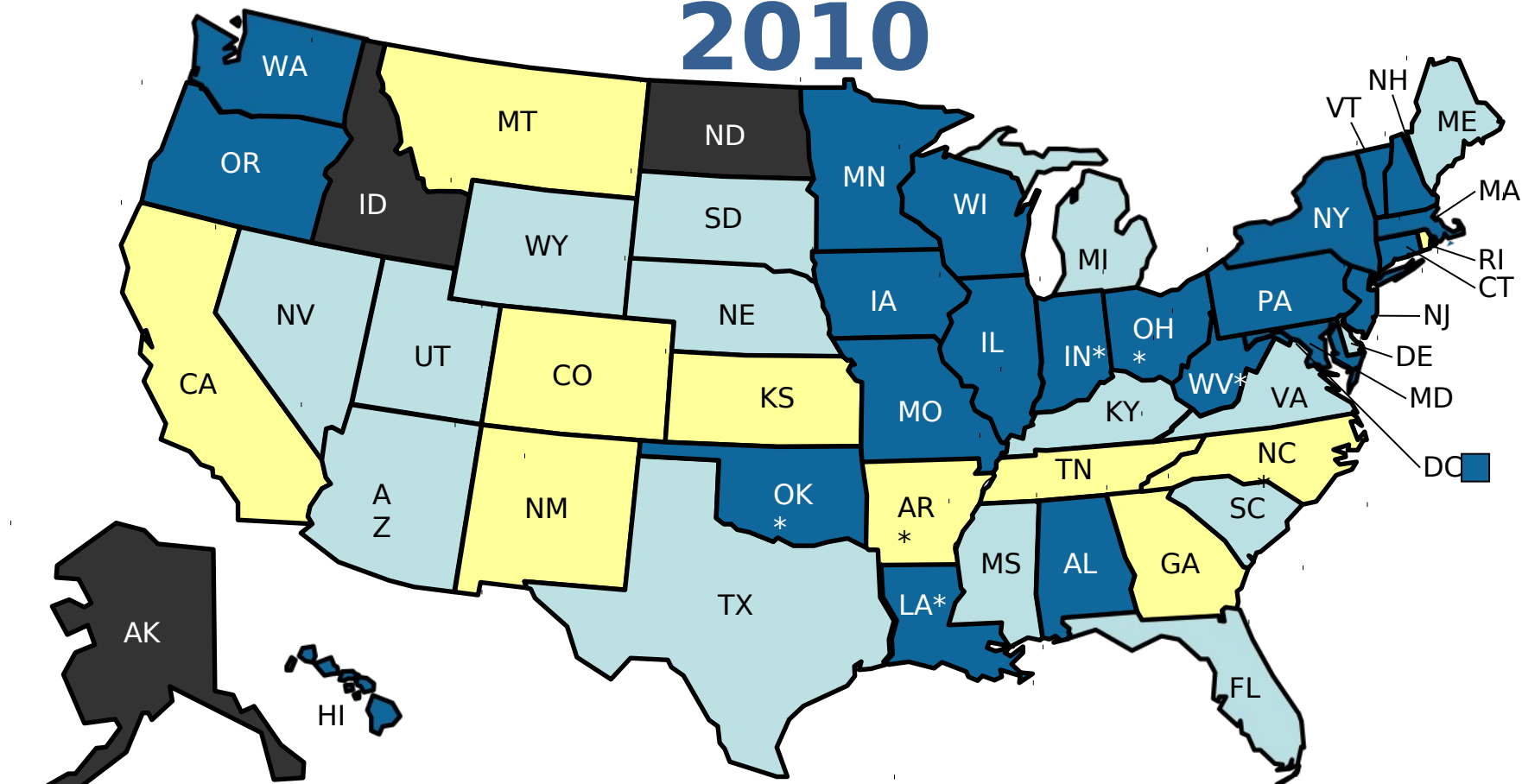
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# It's Been Quite the Ride for Children's Health Coverage



- February 4, 2009 – Children's Health Insurance Program Reauthorization Act (CHIPRA)
- March 23, 2010 – The Affordable Care Act (ACA)
- Unprecedented economic downturn but Alaska has been spared

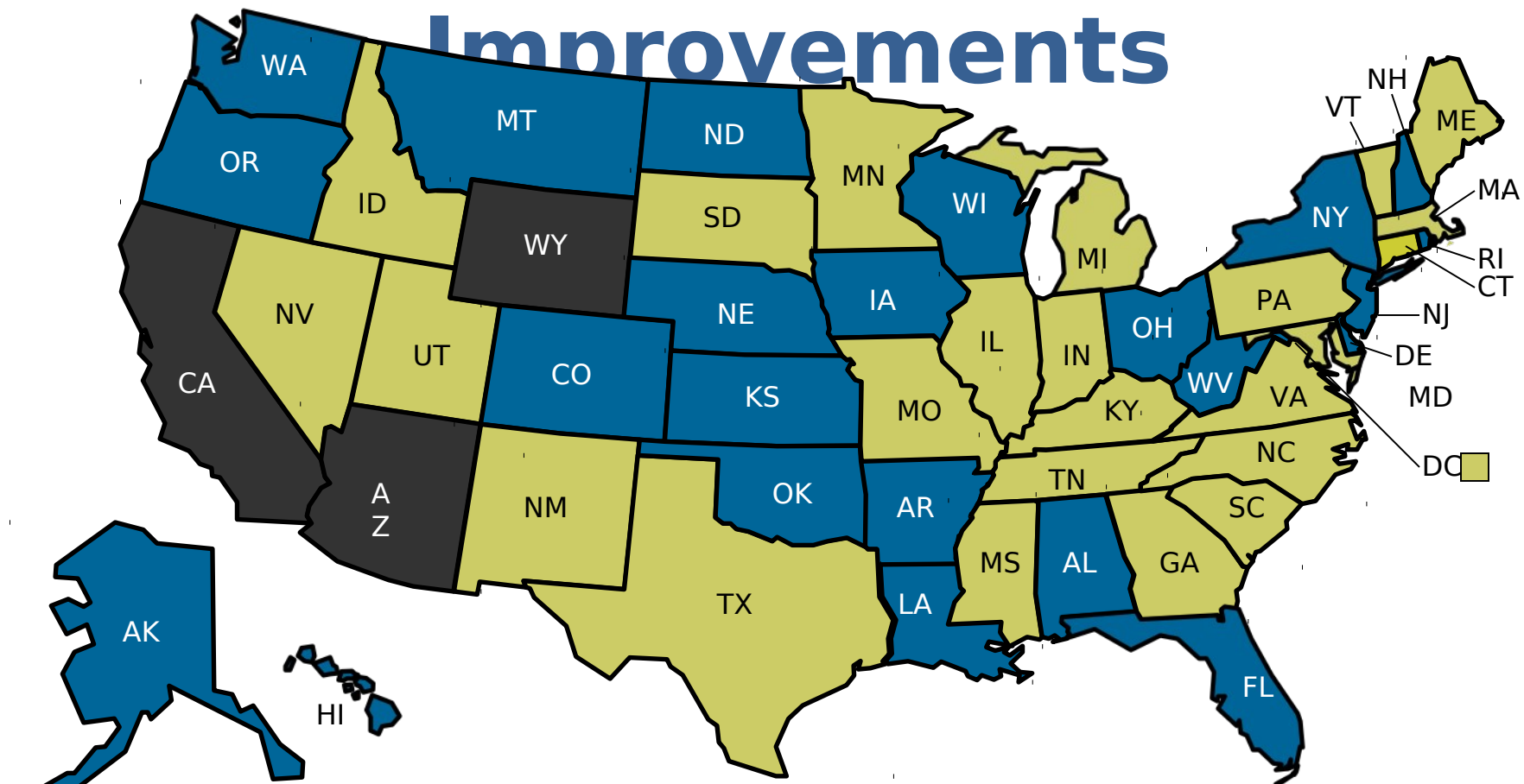
# Eligibility Levels for Children, October 2010



< 200% FPL (3 states)
  200% FPL (15 states)
  201%-250% FPL (10 states)
  > 250% FPL (23 states)

Source: D. Cohen Ross & C. Marks, "Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles," Kaiser Commission on Medicaid and the Uninsured (January 2008); updated by the Center for Children and Families.

# In 2009, Nearly All States Maintained 23 States Made Improvements



**■ Took Action to Improve Child and Family Coverage (23 states)**

**■ Maintained the Gains in Child and Family Coverage (25 states, including DC)**

**■ Took Steps Backward on Child and Family Coverage (3 states)**

Source: Center for Children and Families, as of September 1, 2009.

# Why and How?



## *A Perfect Storm!*

- The enormous success of Medicaid and CHIP
- Overwhelming public support for kid's coverage
- The effectiveness of child health advocacy

# Putting CHIPRA to Work



- Expanding eligibility
- Strengthening benefits
- Implementing quality improvements
- Using data to track results
- Providing new tools and incentives

# Transforming the Health Care System through The Affordable Care Act

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- Coverage expansions
- Quality and cost-containment measures
  - Workforce investment

# The Building Blocks of Coverage under the ACA

- Strengthen private insurance market
- Expand Medicaid for lowest income individuals
- Create exchange(s) where individuals and small business can purchase insurance, many with tax credits



# Early Wins for Children and Families

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# Hold Steady on Kids' Coverage



- Maintenance of Effort (MOE)
  - Eligibility for Medicaid & CHIP
  - Enrollment procedures
  - Until 2019 for kids, 2014 for parents
- Protects coverage with children and families need it most

# Coverage for Young Adults

- Stay on parent's plan up to age 26
- Extends Medicaid coverage for children aging out of foster care up to age 26 (2014)



# Preventive and Primary Care



- No cost preventive services for new plans\*
  - Bright Futures Pediatric Prevention guidelines

- Increased reimbursement for primary care for children in Medicaid (2013-14)

\* Certain plans are exempted as grandfathered plans, see CCF publication: "September 23 Reforms: Making Insurance Work for Children and Families"

# Insurance Reforms

- Children can no longer be denied coverage for preexisting conditions
  - Extends to adults in 2014
- No policy rescissions
- No lifetime dollar caps
- Restrictive annual dollar



caps increase each year; eliminated in 2014

- Non-monetary service/visit caps may continue

\* Certain plans are exempted as grandfathered plans, see CCF publication: "September 23 Reforms: Making Insurance Work for Children and Families"

# Moving to 2014

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# Medicaid for Low Income Parents and Adults

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- Mandatory coverage to 133% FPL for all citizens
  - Parent's eligibility in family of 3 increases from \$18,541 to \$30,443
  - Adults without dependent children with income up to \$17,995 will qualify
  - 100% federal support 2014-16 phasing down to 90% in 2020 and thereafter
- Parents must enroll their children if uninsured

# Medicaid Options for States

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- State option to expand now up to 133% FPL
  - Regular Medicaid match until 2014
- State option in 2014 to cover adults up to 200% FPL under Basic Health Plan
  - State receives 95% Exchange subsidy amount
  - >200% - 400% stay in Exchange

# Insurance Exchange

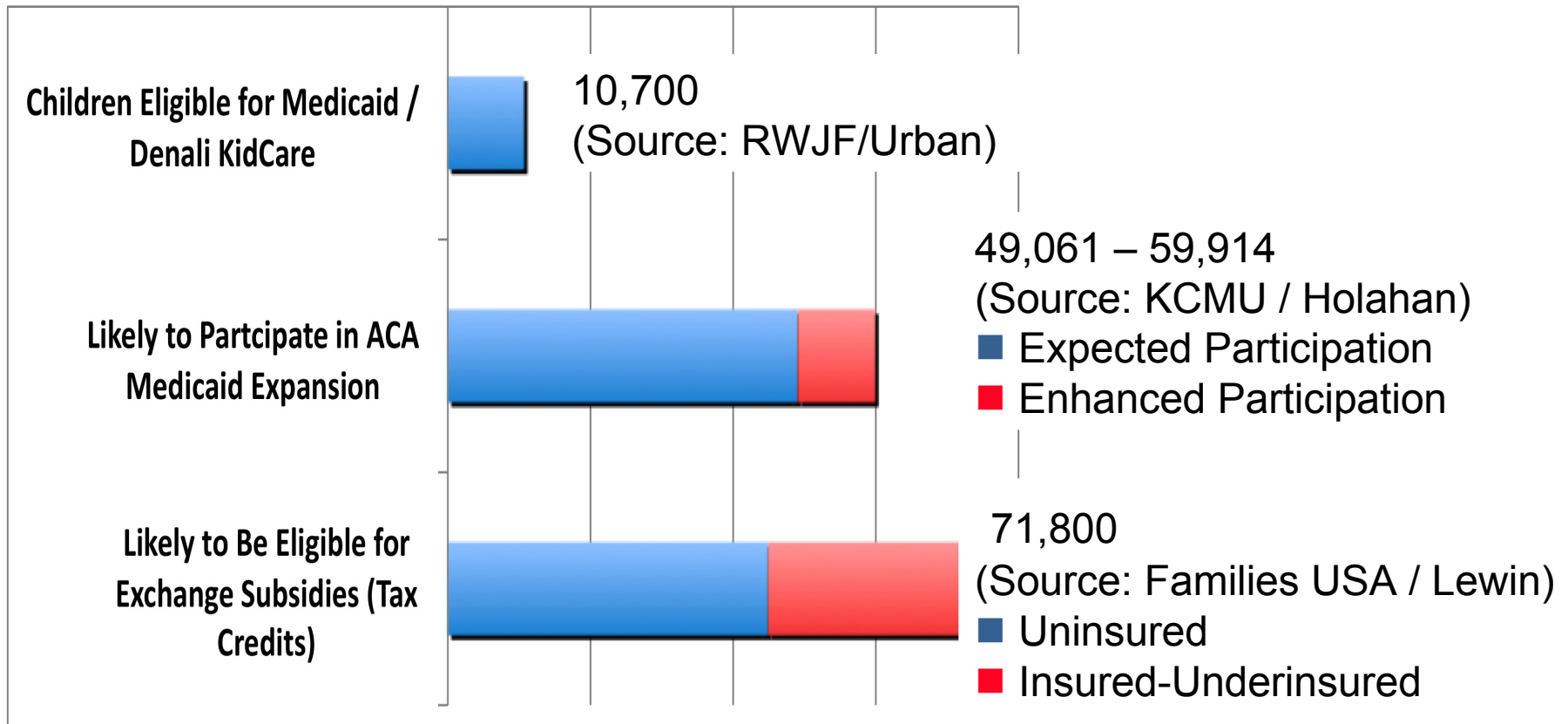


- New marketplace for individuals and small business to purchase private insurance with tax credits
- Administered by state agency or non-profit with federal standards
- Medicaid agency can do eligibility
- Planning grants awarded

# Subsidies Limit Premiums

Income Level	Premium as % of Income
Up to 133% FPL	2%
133 - 150% FPL	3 - 4%
150 - 200% FPL	4 - 6.3%
200 - 250% FPL	6.3 - 8.05%
250 - 300% FPL	8.05 - 9.5%
300 - 400% FPL	9.5%
Cost-sharing limits <250%	

# Potential Impact on Coverage in Alaska



Source data differs for each category, thus different assumptions and methodologies were applied in creating these estimates.

# Enrollment of Families Under Reform



- Intent for “no wrong door” between Medicaid, CHIP, and the Exchange
- Web-based enrollment
- No asset test for most people in Medicaid
- Promotes plain language, simplified communications

# Help for Families in Navigating the New System

- Consumer assistance grants awarded
- Navigators in 2014



# Other Notable Provisions for Children and Families

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- Medical home demonstrations and child health quality initiatives
- Public health initiatives
- Investments in community health centers, school-based health and home visiting programs
- Workforce training
- HIT investments

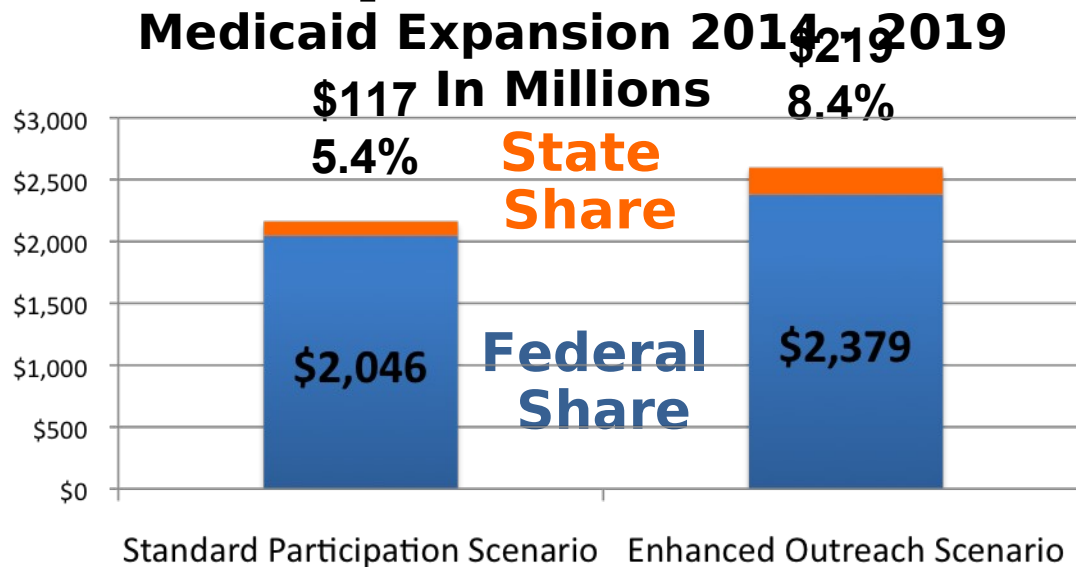
# So What About the Cost?

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# Federal Investment in Medicaid

## Federal and Alaska Expenditures



Source: Kaiser Commission on Medicaid and the Uninsured: Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 133% FPL; Financing 2014-2019

# Federal Investment in Exchange Subsidies in Alaska

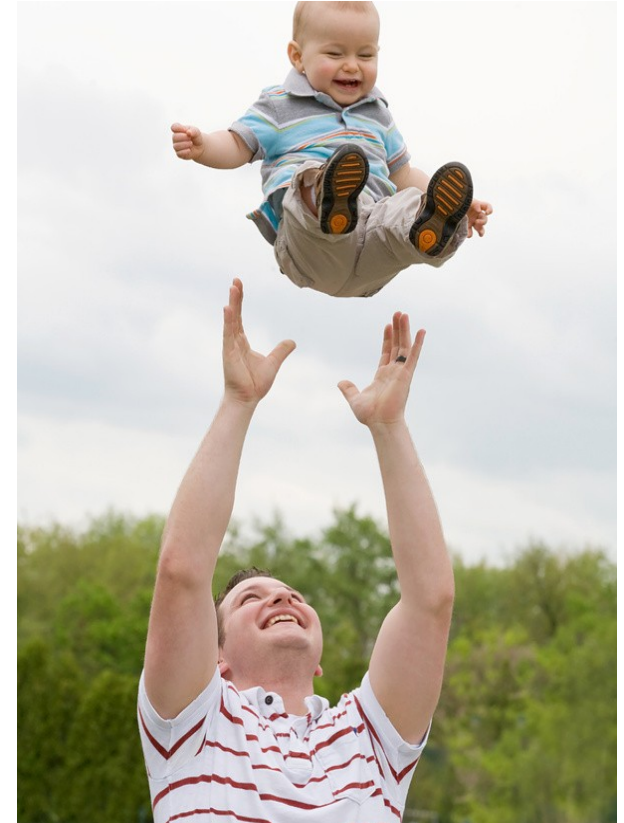
Exchange Subsidies, 2014 - 2019  
(in millions)



Source: J. Gruber estimates from, "Federal Health Reform Provides Critical Long-Term Help to States," *Health Care for America Now* (March 24, 2010).

# Health Reform Will Boost State Economy

- Federal and State investment
- Savings in uncompensated care offset state costs
- Increased purchase of insurance
- Direct economic impact
  - Jobs and wages
  - Spending
  - More financially stable families



# Challenges

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- Contentious political debate not over
- High need for positive awareness and public education
- Complexity of reform
- Risk that children's issues will be forgotten
- Need to build on track record for kids
- Bad economy and state fiscal problems remain a major issue for most states

# Opportunities

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- Align coverage and procedures to make smooth transition to health coverage
- Use lessons learned covering kids to design better processes, procedures and systems
- Families will need information and support; policymakers will need reality checks
  - Set up feedback loops
- Use momentum to enroll all eligible children and implement expansion

# For more information

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