



Utah Children's Health Insurance Program (CHIP) 2006 Annual Evaluation October 2006

The Utah Department of Health (Department) operates the Utah Children's Health Insurance Program (CHIP). CHIP is a state-sponsored, health insurance plan for uninsured children whose parents' income is under 200% of the federal poverty level (FPL). CHIP was initiated on August 1, 1998; and since its inception, CHIP has served 110,600 children. The CHIP benefit plan was modeled after traditional commercial health insurance plans and utilized the Public Employee's Health Plan as the benchmark of coverage. CHIP currently contracts with two HMO plans to provide medical services.

The following is a brief outline of the efforts and accomplishments for the CHIP program.

Financial

CHIP receives approximately 80 percent of its funding from the federal government. Since FY 2001, state funds have come from the proceeds of the Master Settlement Agreement between the State and tobacco companies.

- For FY 2001, the Legislature appropriated \$5.5 million for the required State match.
- For FY 2004, the Legislature increased the funding to \$7.0 million to cover more children on CHIP and to restore dental services to the program.
- For FY 2006, the Legislature increased CHIP funding to \$10.3 million to cover more children on the program.

For FY 2006, CHIP spent \$48.2 million on health plan premiums and \$3.6 million on administration. The majority of the administrative costs came from eligibility determination. With an average enrollment of 35,257 for FY 2006, the average cost per child was \$1,471 per year, or \$123 per month.

Cost Sharing

Families pay quarterly premiums of up to \$25 per quarter for enrollment in CHIP. The amount of premium varies depending upon family income. In FY 2006, CHIP collected \$790,535 in quarterly premiums.

Families pay small co-payments in addition to quarterly premiums. As established in federal guidelines, no family on CHIP is required to spend more than five percent of their family's income on premiums, co-payments, and other covered services over the course of a plan year.

Benefits

Federal guidelines allow states to select from several options in creating a benchmark for CHIP coverage. Utah has elected to benchmark its program to state employee benefits. CHIP has not rebenchmarked its coverage since the program started.

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Many CHIP clients will not be affected by an effort to rebenchmark benefits, because federal guidelines limit the co-payments that can be charged to some income groups. Of the approximately 36,000 children currently on CHIP, the greatest impact would be on approximately 12,000 children whose families have higher incomes (between \$30,000 and \$40,000 for a family of four).

The Department is working with an actuarial firm to rebenchmark CHIP benefits to the current state employee benefits. Once this project has been completed, CHIP will begin the state and federal approval process to change benefits and co-payments. This process will help reduce CHIP expenditures and help offset the rate of growth in expenditures.

Utah's Premium Partnership for Health Insurance (UPP)

In an effort to create private health insurance opportunities for individuals that qualify for CHIP, the Department sought federal approval to offer families the ability to purchase their employer-sponsored health insurance rather than enroll their children in CHIP. The Department received notification on October 25, 2006 that the federal government approved this proposal. Beginning November 1, qualified families will be able to receive a rebate of \$100 per month per child when they purchase health coverage through their work.

In addition, qualified families can also receive an additional rebate of \$20 per month per child 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 is provided through the Public Employee's Dental Plan.

Eligibility

Individuals can only apply for CHIP during periodic open enrollment periods. CHIP is now closed for new applications based on available funding. The Department will review enrollment and funding in the spring of 2007 to determine when the next open enrollment can be held. Applications for UPP are currently being accepted.

When CHIP is open, applications can be submitted through the mail or in-person using a simple two-page application form. Applicants may also apply 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% FPL (e.g., for a family of four, 200% FPL is \$40,000).
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 twelve-month periods.

CHIP has contracted with two private health plans to provide medical services for enrollees:

1. Molina Healthy Kids

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2. Public Employee's Health Plan

CHIP has contracted with the Public Employee's Dental Plan to provide dental services for all enrollees.

Enrollment

In 2005, House Bill 114, Children's Health Care Coverage Amendments (Rep. Hogue), provided an additional \$3.3 million in tobacco settlement funds to expand enrollment. With this increase, CHIP remained open from July 1, 2005 to September 1, 2006. During that period, CHIP received 29,457 applications and enrolled 28,315 children. For September 2006, there were 35,706 children enrolled in the program.

Of the current enrollees, the ethnicity, race, age, and income breakdown are as follows:

Ethnicity (as of September 2006)

| | | |
|--------------|--------|---------|
| Hispanic | 4,258 | (11.9%) |
| Non-Hispanic | 31,448 | (88.1%) |

Race (as of September 2006)

| | | |
|----------------------------------|--------|---------|
| Asian | 501 | (1.4%) |
| Native Hawaiian/Pacific Islander | 101 | (0.3%) |
| Black | 271 | (0.8%) |
| Native American/Alaska Native | 870 | (2.4%) |
| White | 33,932 | (95.0%) |
| Multiple Races | 31 | (0.1%) |

Age (as of September 2006)

| | | |
|--------------|--------|---------|
| Less than 10 | 20,285 | (56.8%) |
| 10 to 19 | 15,401 | (43.1%) |

Income (as of September 2006)

| | | |
|--------------------|--------|---------|
| Less than 100% FPL | 8,449 | (23.7%) |
| 101% to 150% FPL | 14,460 | (40.5%) |
| 151% to 200% FPL | 12,797 | (35.8%) |

64% of CHIP children are residents of Davis, Salt Lake, Weber, and Utah counties.
36% are residents of other counties.

Where are CHIP Kids Going After CHIP?

The most recent monthly eligibility data (September 2006) shows that of the CHIP cases that closed:

- 40% enrolled in another insurance plan
- 5% gained access to employer-sponsored health insurance coverage
- 9% could not be located or had moved out of state
- 29% were enrolled in Medicaid

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Strategic Objectives and Performance Goals

The 2006 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 2006 and follow-up telephone surveys were conducted in May 2006. A total of 1,323 parents responded to the survey.

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

- 87.5% of children ages 1 to 11 had a visit with a primary care practitioner in 2005
- 84.0% of parents said that getting necessary care for their child was "Not a Problem"

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

- 83.2% of parents rated their child's health plan as an 8, 9, or 10
- 87.4% rated their health care received as an 8, 9, or 10
- 86.8% rated their personal doctor or nurse as 8, 9, or 10
- 79.3% 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.

- 84.0% of parents surveyed said that they "Always" or "Usually" got timely care.

Note: In all the above goals except the rating of their health plan, CHIP scored well above national benchmarks.

Core Performance Measures

The 2006 Health Plan Employer Data and Information Set (HEDIS) measurements are a core subset of the full HEDIS dataset reported by Utah's CHIP HMOs to the Department based on information from patient visits in 2005. 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.

- 73.1% of CHIP enrolled children who turned 15 months old during 2005 and had been continuously enrolled from 31 days of age, received at least 5 well child visits.

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

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- 45.9% of the CHIP enrollees ages 3-6 had one or more well-child visits with a primary care practitioner in 2005.

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

- 86.3% of CHIP enrollees had a visit with a primary care practitioner in 2005.

CHIP Client Feedback

The following quotes were taken from actual parents of CHIP enrollees:

“We have definitely benefited from CHIP. Not that we’ve had to use it much, but it’s nice to know that that security is there in case we need it. We were more concerned about the kids. We had a son playing baseball at the time, and worried about the accidents that can happen with sports. You never know, you could have a broken arm or leg, whatever, and it would be expensive. But things have worked out well, no big catastrophes. And it’s nice to have the coverage.”

“All of a sudden we were without insurance and expecting our second child. CHIP has provided us with advice to enable us to move through this difficult period. Our son was born with a bone abnormality and needed prompt, expensive medical care. Without CHIP, our family would have had to make the difficult decision to postpone Preston’s treatment until we could cover the procedure ourselves.”