American Cancer Society ☙ Children's Defense Fund-New York ☙ Community Service Society of New York Empire Justice Center ☙ Institute for Puerto Rican and Hispanic Elderly
Make the Road New York ☙ Medicare Rights Center
Metro New York Health Care for All Campaign ☙ New Yorkers for Accessible Health Coverage ☙ New York Immigration Coalition ☙ Project CHARGE
Public Policy and Education Fund of New York/Citizen Action of New York
Raising Women's Voices-New York ☙ Schuyler Center for Analysis and Advocacy ☙ Small Business Majority

Medicaid Matters New York

December 19, 2014

Ms. Joanne Jee
Medicaid and CHIP Payment and Access Commission (MACPAC)
1800 M Street, NW
Suite 650 South
Washington, DC, 20036

Dear Ms. Jee,

Health Care For All New York (HCFANY), a coalition of over 160 organizations committed to securing quality, affordable health care for all New Yorkers, appreciates the opportunity to provide comments regarding children's health coverage affordability and adequacy. Great strides have been made in increasing children's health coverage rates both nationally and in New York largely due to the success of the Children's Health Insurance Program (CHIP). CHIP provides high-quality affordable coverage to children. As we outline below, Exchange coverage would require substantial changes and improvements to affordability, covered benefits, and network requirements to match the benefits and affordability of CHIP. Given the success of CHIP and that the current plans on the state exchanges are not designed to meet the needs of children, HCFANY recommends a four-year extension in funding for CHIP.

This letter initially addresses the overall need to extend CHIP funding until 2019. Further, we address four considerations with regard to exchange coverage for children, which were posed by the Medicaid and CHIP Payment Access Commission (MACPAC) in its November 12, 2014 memorandum to stakeholders: (1) affordability of coverage; (2) adequacy of covered benefits; (3) adequacy and appropriateness of networks for children; and (4) greatest areas of concern with regard to coverage transitions. In each area, we provide evidence that CHIP coverage is more affordable, comprehensive, and child-centered than that offered through exchanges.

CHIP should be extended for four years

Our first comment addresses the Commission's recommendation that the Children's Health Insurance Program (CHIP) be extended for two years, until 2017. HCFANY recommends that MACPAC recommend the renewal of CHIP funding for four years until 2019. Two years is too short a period of time for the state exchanges to make the changes to match the benefits, networks and affordability of CHIP Children deserve a stable source of affordable, comprehensive health coverage as anticipated under the Affordable Care Act (ACA).

New York's CHIP program, called Child Health Plus (CHPlus), is an essential part of the health care system. CHPlus provides New York families with a robust network of pediatric providers and affordable benefits designed to meet the needs of children. In FY2013, CHPlus served 490,114 New York children. Since implementation of major Affordable Care Act reforms in 2014, 118,180 children have enrolled in the program. Failure to adopt a predictable and sustainable renewal of CHIP funding could force hundreds of thousands of New York families to seek significantly more expensive coverage through a Qualified Health Plan (QHP) on the NY State of Health Marketplace.

The Marketplace plans are not well tailored to meet the unique needs of children: QHP premiums are far less affordable to families with children in our state; require greater out-of-pocket contributions; and QHP benefit packages and networks are inadequate to meet children's unique health needs. Funding for CHIP should be renewed for at least four years to ensure that families can appropriately transition into equally affordable and comprehensive children's coverage.

1. **Affordability of coverage and out-of-pocket costs, including premiums and cost sharing (e.g., copayments, coinsurance, and deductibles) in exchanges.**

New York's CHPlus program offers significantly more affordable benefits for New York families than would be available to them on the NY State of Health Marketplace. Affordability is an integral part of CHIP. New York's CHPlus program offers subsidized health insurance coverage to children under 400% of the FPL. In CHPlus, consumers pay little or no premium – in fact, 62% of all enrollees in CHPlus pay less than $9 per month. Consumers in CHPlus also pay no deductible and have zero cost-sharing for office visits, inpatient services, prescription drugs and more. The maximum premium contribution is $180 per month depending on income. Families earning more than 400% FPL can choose to "buy-in" to CHPlus and pay the full premium price for the coverage.

In contrast, Exchange plans are less affordable. When the Wakely Consulting Group compared CHIP plans to QHPs across 35 states, they found CHIP enrollees transitioning to QHPs would face a significant increases in estimated out-of-pocket costs. [i] In New York, families at 160% of the FPL on average pay $0 out-of-pocket, but that same family transitioning to a silver plan QHP would pay between $411-$480.[ii] The financial impact is especially pronounced for children with special health care needs who would likely reach the out of pocket maximum for cost sharing in a year.

Additionally, below we describe two issues that further impact the affordability of QHPs for families in New York: (1) family glitch; and (2) dental benefits.

Family Glitch

Families are certain to have more costs under the Exchange plans than under CHIP, but some families would not qualify for tax subsidies to help offset costs due to the "family glitch" created by the ACA's definition of affordability. To assure families could be eligible for tax subsidies the "family glitch" would need to be addressed.

Dental Benefits Affordability

Dental is a covered benefit in CHIP, but it is not a guaranteed benefit in Exchange plans, and may present additional costs to families. Dental coverage is an excepted benefit under the ACA; state exchanges are required to offer pediatric dental coverage, but consumers are not required to purchase it. New York gives families a choice to purchase a plan with dental benefits, purchase separate dental coverage, or forgo dental. Due to costs of Exchange coverage, some families may choose to forgo dental coverage.

2. Adequacy of covered benefits in exchanges.

States have flexibility, within federal guidelines, to define the benefits required to be covered under both CHIP and QHPs. Although both programs are generally required to provide basic services, CHIP provides more comprehensive benefits for children including dental (as noted above), physical, occupational, speech and language therapies, often without limits.[iii] New York's CHPlus benefit provides the standard Medicaid benefit package, including Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services, which includes mental health and dental services.[iv]

The Wakely Consulting Group report shows that QHPs have gaps in both covered benefits and service utilization limits as compared to CHIP. The gaps are most pronounced in access to behavioral health, habilitative services, dental, and vision. [v] In these categories, CHIP coverage offers families access to more services without the utilization limits in QHPs. and with respect to the number of visits allowed. These additional benefits help to address existing health disparities faced by children of color, who are disproportionately impacted by vision and dental issues.[vi] [vii]

3. Adequacy and appropriateness of provider networks for children in exchanges

In addition to the covered benefits, policymakers must consider whether QHP networks are adequate to meet the medical and developmental needs of children. Federal protections and stronger network adequacy requirements are necessary to assure that QHP networks contain essential pediatric settings to meet the needs of children. QHPs have fewer safeguards than Medicaid and CHIP to guarantee robust coverage of pediatric services.[viii] For example, QHPs in New York are subject to limited rules that require two Primary Care Providers and two specialists per specialist type in each county, with no requirements for pediatric providers or for more extensive networks in larger counties.[ix] In contrast, CHPlus plans are subject to more robust network adequacy requirements in two ways: (1) networks must include pediatric providers, such as pediatric dentists, and (2) networks are reviewed according to the number of providers per enrollee, rather than per county.[x]

Currently, QHP networks, often designed for adults, do not include sufficient providers essential to children, including pediatric primary and specialty care and settings – such as children's hospitals. More robust consumer protections have to be adopted to assure children could access such specialty settings, in order to serve children with special health care needs.

4. Greatest area(s) of concern with transitions between coverage in Medicaid, CHIP, exchanges, or employer sponsored insurance, and options to safeguard against them.

Should CHIP be eliminated, hundreds of thousands of New York children could suffer negative health effects through the transition from CHP to QHP plans, especially in the areas described below:

- **Continuity of Care:** Pediatric network requirements would need to be extended to QHPs with out-of-network protections as well as 12 month continuous coverage as afforded under Medicaid and CHPlus, in order to mitigate gaps in coverage and ensure continuity of care.

- **Network Requirements:** QHPs would need to contract with children's hospitals and community-based organizations serving children, in addition to pediatric primary care doctors and specialists, to assure that all children, especially those with special health needs and/or are low-income, have access to primary and specialty services in their community. Additionally, QHPs should be subjected to a child-specific network adequacy review to assure that children can access needed services.

- **Essential Health Benefits:** QHPs should be required to adopt the same benefits currently afforded under Medicaid and CHIP; including, but not limited to, Medicaid EPSDT, dental, vision, behavioral health, occupational, physical and speech therapy without limits to assure children with special health needs not only regain function if needed but maintain function.

- **Quality:** QHPs should be required to disclose benchmark data for families to compare timeliness of care, types of providers, out-of-network protections and appeal processes. CHIPRA core measures should be extended to QHPs as well as other pediatric quality measures and plan ratings.

- **Affordability:** The QHP actuarial value needs to cover 100% of health services, and average annual cost-sharing would need to be significantly reduced, to make the cost of coverage for families comparably affordable to CHIP. Additionally, the federal government would need to make serious efforts to address the family glitch, to ensure formerly CHIP eligible families can access premium subsidies and cost-sharing reductions. Finally, currently available premium assistance should be reevaluated to better accommodate access to dental care for children.

In closing, CHIP is the best option for children's health coverage. As detailed in the sections above, CHIP is more affordable, provides covered benefits that meet the needs of all children, including those with specific health concerns and offers pediatric network providers. HCFANY strongly recommends a four year extension so families, such as the ones in New York can appropriately transition to equally affordable and comprehensive plans.

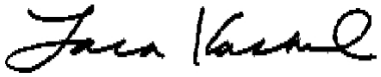
Thank you for the opportunity to provide comments in support for children's coverage. We, along with many other child advocates in our state and across the country, are committed to preserving access to care for America's young people.

Sincerely,

Kate Breslin
Schuyler Center for Analysis and Advocacy

Elisabeth Benjamin
Community Service Society

Lorraine Gonzalez-Camastra
Children's Defense Fund – New York



Lara Kassel
Medicaid Matters NY

[i] Wakely Consulting Group. (July 2014). *Comparison of Benefits and Cost Sharing in Children's Health Insurance Programs to Qualified Health Plans*.
[ii] Ibid
[iii] Pardise, J; Op.cit
[iv] Centers for Medicaid Services. *CHIP Benefits*. http://www.medicaid.gov/chip/benefits/chip-benefits.html
[v] Wakely Consulting Group, Op.Cit
[vi] Perkins, J; Mckee, C. (November 2014). Vision Services for Children on Medicaid A Review of EPSDT Services. National Health Law Program, NHeLP. http://www.healthlaw.org/publications/search-publications/EPSDT-Vision-Services#.VIcjfTHF9ps
[vii] PEW Charitable Trust. (June 2014). Expanding the Dental Team: Increasing Access to Care in Public Settings. http://www.pewtrusts.org/~/media/Assets/2014/06/27/Expanding_Dental_Case_Studies_Report.pdf
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[ix] 2015 Plan Invitation. NY State of Health Marketplace. Available: http://info.nystateofhealth.ny.gov/invitation

[x] N.Y.S. DEP'T OF HEALTH, Child Health Plus Model Contract, available at http://wnylc.com/health/afile/93/120/