Why GAO Did This Study

CHIP is a joint federal-state program that finances health insurance for over 8 million children. Since the program’s inception, the percentage of uninsured children nationwide has decreased by half, from 13.9 percent in 1997 to 6.6 percent in the first three months of 2014. This year, Congress will decide whether to extend CHIP funding beyond 2015.

GAO was asked to provide information on the effect of CHIP on children’s coverage, and what key issues may be considered in determining the ongoing need for CHIP. In this report, GAO examines (1) what assessments of CHIP suggest about its effect on children’s health care coverage and access; and (2) what key issues identified by GAO’s work the Congress may wish to consider in determining whether to extend CHIP funding.

For the assessments of CHIP’s effect, GAO reviewed reports on CHIP, including a mandated evaluation and annual HHS reports on quality, which publish data that states report on Child Core Set measures, which are quality measures identified by HHS that states can use to monitor health care provided to children in CHIP and Medicaid. GAO also reviewed relevant federal statutes and regulations. To identify key issues that the Congress may wish to consider, GAO reviewed its own relevant reports and testimony; reviewed letters from state governors regarding CHIP; and interviewed CHIP officials in 10 states, which were selected based on variation in location, program size, and design.

HHS provided technical comments on a draft of this report, which GAO incorporated as appropriate.

What GAO Found

Assessments of national data GAO reviewed identify positive effects of the State Children’s Health Insurance Program (CHIP), and the quality measures reported by states help identify areas needing improvement.

- A mandated evaluation of CHIP published in 2014 noted that CHIP enrollees (1) had substantially better access to care, service use, and preventive care when compared with uninsured children; and (2) experienced comparable access and service use when compared with privately insured children. These findings are generally consistent with prior GAO work, which used national survey data to compare CHIP enrollees’ access and service use with children who were uninsured or privately insured. When comparing CHIP enrollees with privately insured children, the mandated evaluation and prior GAO work differed regarding the utilization of certain services, such as emergency room use and dental services, which may be due to differences in when the data were collected and the particular measures that were used.

- The Department of Health and Human Services (HHS) also publishes data on quality measures that states voluntarily report annually. These Child Core Set measures show mixed results regarding service utilization among CHIP and Medicaid enrollees. For example, states reported that nearly all children aged 12 to 24 months enrolled in CHIP or Medicaid had at least one primary care physician visit during fiscal year 2013. However, states reported that far fewer children obtained dental prevention or treatment services, with a mean of 46 percent of children receiving a preventive dental service, and a mean of 25 percent receiving dental treatment services. HHS officials said that they use these data to help identify areas for improvement in the care provided in CHIP and Medicaid.

GAO’s prior work has identified important issues related to cost, coverage, and access that Congress may wish to consider when determining the ongoing need for CHIP, many of which were similar to issues raised by officials from the 10 states GAO reviewed.

- With regard to cost, GAO’s prior work found that costs—defined as deductibles, copayments, coinsurance, and premiums—were almost always less for selected CHIP plans when compared with states’ benchmark health plans, which were the models for health plans available in health insurance exchanges established under the Patient Protection and Affordable Care Act. Officials in five states expressed concerns about the higher cost of exchange plans compared with CHIP and the implications for families’ finances.

- With regard to coverage, GAO previously reported that selected CHIP and state benchmark plans were generally similar in terms of their coverage of selected services and the services on which they imposed limits. However, officials from several of the 10 states pointed out that for many services needed by children with special health care needs, CHIP coverage was more comprehensive than exchange plans.

- With regard to access, several states raised concerns about negative implications for children’s coverage if CHIP funding is not reauthorized, including concerns that their states would lose gains made in covering children, who would also lose access to providers and dental care.