

GAO Highlights

Highlights of [GAO-14-40](#), a report to the Chairman, Subcommittee on Health Care, Committee on Finance, U.S. Senate

Why GAO Did This Study

More than 8 million children were enrolled in CHIP—the federal and state children’s health program that finances health care for certain low-income children—in 2012. PPACA appropriated funding for CHIP through federal fiscal year 2015. Beginning in October 2015, any state with insufficient CHIP funding must establish procedures to ensure that children who are not covered by CHIP are screened for Medicaid eligibility, and if ineligible, are enrolled into a QHP that has been certified by the Secretary of Health and Human Services (HHS) as comparable to CHIP. Exchanges are marketplaces for QHP coverage effective in 2014. GAO was asked to review issues related to CHIP. This report provides a baseline comparison of coverage and costs to consumers in separate CHIP plans and benchmark plans in select states; describes how coverage and costs might change in 2014; and describes how access to care by CHIP children compares to other children nationwide.

For the coverage and cost comparison, GAO reviewed Evidences of Coverage from separate CHIP plans and benchmark plans (base and supplemental) from five states—Colorado, Illinois, Kansas, New York, and Utah—selected based on variation in location, program size, and design. GAO reviewed documents and spoke to officials from states’ CHIP programs, exchanges, and benchmark plans, and from the Centers for Medicare & Medicaid Services. To describe access to care by children in CHIP compared to others with Medicaid, private insurance or without insurance, GAO analyzed nationwide data from HHS’s MEPS from 2007 through 2010.

View [GAO-14-40](#). For more information, contact Katherine Iritani at (202) 512-7114 or iritanik@gao.gov.

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CHILDREN’S HEALTH INSURANCE

Information on Coverage of Services, Costs to Consumers, and Access to Care in CHIP and Other Sources of Insurance

What GAO Found

In five selected states, GAO determined that the separate State Children’s Health Insurance Program (CHIP) plans were generally comparable to the benchmark plans selected by states in 2012 as models for the benefits that will be offered through qualified health plans (QHP) in 2014. The plans were comparable in the services they covered and the services on which they imposed limits, although there was some variation. For example, in coverage of hearing and outpatient therapy services, the benchmark plan in one of the five states—Kansas—did not cover hearing aids nor hearing tests, while the CHIP plans in all states covered at least one of these services. Similarly, two states’ CHIP plans and three states’ benchmark plans did not cover certain outpatient therapies—known as rehabilitative services—to help individuals attain or maintain skills they had not learned due to a disability. States’ CHIP and benchmark state plans were also similar in terms of the services on which they imposed day, visit, or dollar limits. Plans most commonly imposed limits on outpatient therapies and pediatric dental, vision, and hearing services. Officials in all five states expect that CHIP coverage, including limits on these services, will remain relatively unchanged in 2014, while QHPs offered in the exchanges will be subject to certain Patient Protection and Affordable Care Act (PPACA) requirements, such as the elimination of annual dollar limits on coverage for certain services.

Consumers’ costs for these services—defined as deductibles, copayments, coinsurance, and premiums—were almost always less in the five selected states’ CHIP plans when compared to their respective benchmark plans. For example, the CHIP plan in the five states typically did not include deductibles while all five states’ benchmark plans did. Similarly, when cost-sharing applied, the amount was almost always less for CHIP plans, and the cost difference was particularly pronounced for physician visits, prescription drugs, and outpatient therapies. For example, an office visit to a specialist in Colorado would cost a CHIP enrollee \$2 to \$10 per visit, depending on their income, compared to \$50 per visit for benchmark plan enrollees. GAO’s review of premium data further suggests that CHIP premiums are also lower than benchmark plans’ premiums. While CHIP officials in five states expect consumer costs to remain largely unchanged in 2014, the cost of QHPs to consumers is less certain. These plans were not yet available at the time of GAO’s review. However, PPACA includes provisions that seek to standardize QHP costs or reduce cost-sharing amounts for certain individuals.

When asked about access to care in the national Medical Expenditure Panel Survey (MEPS), CHIP enrollees reported positive responses regarding their ability to obtain care, and the proportion of positive responses was generally comparable to those with Medicaid—the federal and state program for very low-income children and families—or with private insurance. Regarding use of services, the proportion of CHIP enrollees who reported using certain services was generally comparable to Medicaid, but differed from those with private insurance for certain services. Specifically, a higher proportion of CHIP enrollees reported using emergency room services, and a lower proportion of CHIP enrollees reported visiting dentists and orthodontists. HHS provided technical comments on a draft of this report, which GAO incorporated as appropriate.