



Medicaid and CHIP Provide Coverage to More Than Half of All Children in D.C.

Medicaid and CHIP are crucial parts of the social safety net, providing health insurance coverage to more than half of all children ages 0–21 in D.C.¹ and a third of children nationally.² Without these two programs, more than 97,000 children in the District would have been uninsured in 2010.³ New research indicates that compared with the uninsured, Medicaid recipients are more likely to seek medical treatment, report better physical and mental health and experience less financial stress.⁴ Protecting Medicaid/CHIP is extremely important to safeguarding the health and well-being of our most vulnerable children. The difficult fiscal environment currently facing both D.C. and the federal government will almost certainly impact the future of public health insurance coverage for children and their families.

What are Medicaid and CHIP?

Medicaid is a health insurance program for low-income Americans. The Children's Health Insurance Program (CHIP) is a health insurance program for children in families whose income level does not qualify them

for Medicaid. D.C. uses CHIP funds to expand the Medicaid program, which is known locally as D.C. Healthy Families. Because the program rules and requirements are the same, the programs will be referred to jointly as Medicaid/CHIP.

DID YOU KNOW?

52.3% of D.C. children ages 0–21 were enrolled in Medicaid/CHIP in 2009.⁵

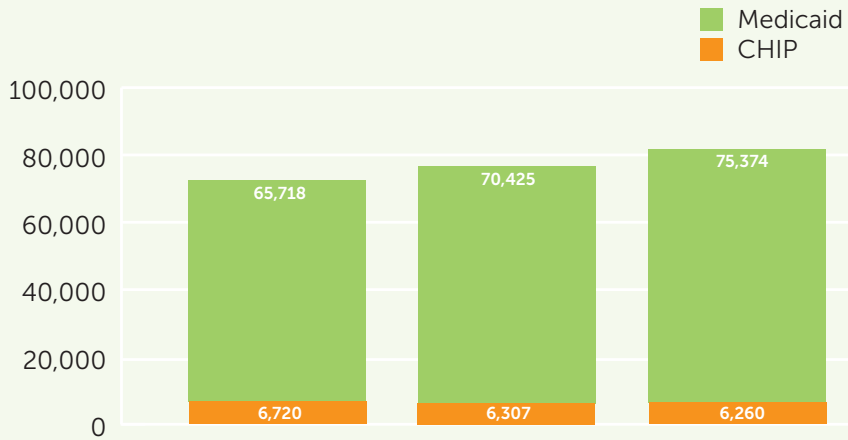
Medicaid covers **32.3%** of all D.C. residents, a higher proportion than in any other state.⁶

In D.C. the average Medicaid/CHIP spending per enrolled child was **\$2,740** in FY 2007.⁷

This policy snapshot was produced in partnership with the D.C. Department of Health Care Finance. We thank the agency for providing information and data. For more information, please contact Kate Kairys, Policy Analyst at DC Action for Children, at kkairys@dckids.org.

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Figure 1: Children's Enrollment in D.C. Medicaid/CHIP (FY 2008–2010)



Source: Kaiser Family Foundation, *State Health Facts*.

Notes: Enrollment data are point-in-time estimates for June of the years listed. CHIP enrollment for June 2010 is from the D.C. Department of Health Care Finance enrollment report.

How many D.C. children rely on Medicaid/CHIP?

Medicaid/CHIP provides health insurance to 52 percent of D.C. children ages 0–21.⁸ More than 89,000 children were enrolled in Medicaid and more than 8,100 in CHIP at some point during fiscal year (FY) 2010.⁹ The D.C. programs have the highest participation rate in the country: An estimated 97 percent of eligible D.C. children are enrolled,¹⁰ and enrollment has increased in recent years, as shown in Figure 1. Because of high rates of Medicaid/CHIP enrollment, only 3.2 percent of D.C. children lack health care coverage.¹¹

From 2008 to 2010, the number of children enrolled in Medicaid/CHIP increased by almost 13 percent, as more children became eligible due to the effects of the recession. These figures are point-in-time estimates and are lower than the total number of children who were enrolled in Medicaid/CHIP during the year.

Who is eligible?

Children ages 0–18 who live in families with income below 300 percent of the federal poverty level — or \$55,590 per year for a family of three in 2011¹² — are eligible for Medicaid/CHIP in D.C.¹³ Youth ages 19–20 are also eligible if their family income falls below 200 percent of the federal poverty level.¹⁴ The District's program covers populations broader than those mandated by federal law, including pregnant women and immigrant children up to 300 percent of the poverty line.

How are the programs funded and how much do they cost?

Both programs are funded jointly by the federal government and individual states, with the federal government matching the state spending at specified matching rates. The current matching rate for Medicaid in D.C. is 70 percent, meaning that for every one dollar D.C. spends on qualified Medicaid services, it receives \$0.70 from the federal government.¹⁵ The current enhanced matching rate for CHIP is 79 percent.¹⁶

In FY 2010, spending on the D.C. Medicaid program (adults and children) totaled \$1.9 billion, nearly 80 percent of which (\$1.5 billion) was paid by the federal government.¹⁷ In FY 2007, the average Medicaid/CHIP spending per enrolled child was \$2,740.¹⁸

What services are provided?

The benefit package for children in Medicaid is called Early and Periodic Screening, Diagnostic, and Treatment (EPSDT), known to providers and beneficiaries in D.C. as "HealthCheck." It is available to all enrolled children and youth under age 21, covering a broad range of services including medical, dental, hearing and vision screenings. EPSDT also guarantees treatment for services deemed "medically necessary" by a child's health care provider.

How does Medicaid/CHIP provide coverage?

D.C. Medicaid/CHIP provides coverage through managed care and fee-for-service



delivery systems. In managed care, the D.C. Department of Health Care Finance pays a monthly rate to Managed Care Organizations (MCOs) for each person enrolled. Most (nearly 90 percent)¹⁹ of children in D.C. Medicaid/CHIP are in one of two MCOs: Chartered Health Plan or United Healthcare and a plan for special needs children, Health Services for Children with Special Needs.²⁰ In the fee-for-service (FFS) system, health care providers are directly paid by the Department of Health Care Finance. Very few children are enrolled in FFS, except for children in foster care or those who are wards of the state.

Regardless of program type, most Medicaid/CHIP services are free for beneficiaries (including well-baby and well-child care and immunizations) and there are no premiums. For children, there are no co-payments.²¹

Are children getting the services they need?

Enrollment in Medicaid/CHIP alone does not guarantee a child's well-being, nor does coverage guarantee that a child will receive treatment. Nationally, access to primary and preventative care is high among both privately and publicly insured children, but a shortage of providers makes it more difficult for children to access oral health and specialty care.²² Limited data are available on children's access to treatment in the District,²³ but available data indicate that this pattern is true for D.C. children. In the future, measuring access may be enhanced by states' participation in reporting data on a core set of quality measures for children enrolled in Medicaid/CHIP.²⁴

Compared to the national average, more D.C. children receive the recommended initial and periodic HealthCheck screenings, but the percentage of children not receiving these screenings is still high. In FY 2009, 68 percent of eligible D.C. children who should have received at least one HealthCheck screening did so, compared to 64 percent nationally.²⁵ Usage of the Medicaid/CHIP dental services is low. In FY 2009, 35.8 percent of eligible D.C. children received preventative dental treatment, compared to 34.7 percent nationally.²⁶

Pediatric specialists are unevenly distributed across the city, and D.C. parents report having more difficulty accessing specialists than parents nationally. In particular, there is lack of pediatric mental health specialists in Wards 7 and 8.²⁷

How has the recession affected children on Medicaid/CHIP?

States received additional Medicaid assistance from the federal government under the American Recovery and Reinvestment Act (ARRA). D.C. received an additional nine cents for every one dollar spent on Medicaid through December 2010 and between four and six additional cents per dollar from January 2011 through June 2011.²⁸ All ARRA reimbursements expired on June 30, 2011.

As a condition of receiving the increased federal funds, states could not adopt more restrictive Medicaid eligibility rules and enrollment procedures, which insulated Medicaid and CHIP programs from state budget cuts. As a result, D.C. Medicaid/CHIP insured more children in 2010 than in 2008.

How does health care reform affect Medicaid?

As a condition of receiving federal funding for its Medicaid program, the Affordable Care Act (the 2010 health care reform) requires that states maintain current eligibility and enrollment policies until 2019. This "maintenance of effort" requirement further insulates children against losing coverage in a time of state- and federal-level fiscal constraints.

How might federal budget negotiations affect children in Medicaid/CHIP?

Changes to Medicaid that result from federal budget negotiations are likely to result in a greater financial burden on the District and the states, which will have to make choices about whether to increase local Medicaid spending to cover any lost federal contribution or to restrict Medicaid by limiting eligibility and benefits.

Under the recent deal to raise the nation's debt ceiling, Medicaid will not be cut as part of the initial spending reductions. However, cuts to Medicaid are possible in the second round of reductions, which a special congressional committee will recommend by Thanksgiving 2011.²⁹ Recommendations are likely to include adopting a single federal matching rate for each state and limiting taxes that states charge health care providers and hospitals as a way of offsetting Medicaid costs. If a deal is not reached or adopted, then government spending will be reduced by \$1.2 trillion, but Medicaid would not be affected.³⁰



1. Calculation is for June 2009 enrollment, based on point-in-time Medicaid and CHIP enrollment data from the Kaiser Family Foundation (statehealthfacts.org) and 2009 single year population estimates from the U.S. Census Bureau.
2. Kaiser Commission on Medicaid and the Uninsured. (2011). *Health coverage of children: The role of Medicaid and CHIP*. Accessed at <http://www.kff.org/uninsured/upload/7698-05.pdf>
3. Total year enrollment estimates, representing the number of children ever enrolled in Medicaid/CHIP in FY2010. U.S. Department of Health and Human Services (HHS). Centers for Medicare and Medicaid Services (CMS). (2011). *FFY 2010 annual Medicaid enrollment and FY 2010 annual CHIP enrollment*. Accessed at <http://www.cms.gov/nationalchippolicy/chiper/itemdetail.asp?itemid=CMS1244005>
4. Finkelstein, A., et al. (2011). *The Oregon health insurance experiment: Evidence from the first year*. Working Paper 17190. Cambridge, MA: National Bureau of Economic Research.
5. See endnote 1.
Medicaid eligibility is determined by the D.C. Department of Human Services, Income Maintenance Administration. In 2009, 24,870 children applied for and were determined to be eligible for Medicaid/CHIP. In 2010, that number had decreased to 73,009.
6. Calculated using June 2010 Medicaid enrollment data from the D.C. Department of Health Care Finance and U.S. Census Bureau 2010 population estimates.
7. Kaiser Family Foundation (statehealthfacts.org). (2011). *District of Columbia: Medicaid payments per enrollee, FY2007*. Accessed at <http://www.statehealthfacts.org/profileind.jsp?rgn=10&cat=4&ind=183>
8. See endnote 1.
9. See endnote 3.
10. Personal communication with Colleen Sonosky, D.C. Department of Health Care Finance. March 23, 2011.
11. D.C. Department of Health Care Finance. (2011). *Performance and accountability report, fiscal year 2010*, p. 1.
12. U.S. Department of Health and Human Services (HHS). (2011). *The 2011 HHS federal poverty guidelines*. Accessed at <http://aspe.hhs.gov/poverty/11poverty.shtml>
13. Kaiser Family Foundation (statehealthfacts.org). (2011). *Program type and upper income eligibility limit for children's coverage as a percent of the federal poverty level (FPL)*, updated January 2011. Accessed at <http://www.statehealthfacts.org/profileind.jsp?rep=76&cat=4&rgn=10>
14. D.C. Department of Health Care Finance. (2010). Overview of the D.C. Medicaid program. Internal document.
15. Kaiser Family Foundation (statehealthfacts.org). (2011). *District of Columbia: Temporary federal Medicaid relief*. (Data from the Federal Register). Accessed at <http://www.statehealthfacts.org/profileind.jsp?ind=916&cat=4&rgn=10>
16. Medicaid and CHIP Payment and Access Commission (MACPAC). (2011). *MACStats, March 2011*, Table 14. Accessed at <http://www.macpac.gov/macstats>
17. Ibid. Table 6.
18. See endnote 7.
19. See endnote 16, Table 8.
20. D.C. also provides health insurance to qualifying immigrant children through a locally funded program with the same benefits as Medicaid MCOs.
21. Kaiser Family Foundation. (2011). *Benefits by state: District of Columbia*. Accessed at <http://medicaidbenefits.kff.org/state.jsp?nt=on&cat=0&yr=0&st=9>
22. Kaiser Commission on Medicaid and the Uninsured. (2010). *Medicaid beneficiaries and access to care*. Accessed at <http://www.kff.org/medicaid/upload/8000-02.pdf>
23. Chandra, A., et al. (2009). *Health and health care among District of Columbia youth*. Washington, DC: The RAND Corporation.
24. CMS. Center for Medicaid, CHIP and Survey & Certification. (2011, February). *CHIPRA initial core set technical specifications manual 2011*. Accessed at <https://www.cms.gov/MedicaidCHIPQualPrac/Downloads/CHIPRACoreSetTechManual.pdf>
25. HHS. CMS. (2010). Annual EPSDT participation report. Form CMS-416. Fiscal year 2009. Accessed at <https://www.cms.gov/MedicaidEarlyPeriodicScrnl/Downloads/2009National.pdf> and <https://www.cms.gov/MedicaidEarlyPeriodicScrnl/Downloads/2009State.pdf>
26. Ibid.
27. See endnote 23.
28. See endnote 15.
29. Carey, M.A., & Galewitz, P. (2011, Aug 3). FAQ: Debt deal 'super' committee's impact on health spending explained. Kaiser Health News.
30. Yourish, K., Stanton, L., & Parlapiano, A. (2011, Aug 2). In tandem: Reducing the deficit to raise the debt ceiling. *The Washington Post*.