

# ALMOST THERE

## Covering ALL Uninsured Children in West Virginia by Improving CHIP

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West Virginia has made tremendous progress in expanding health coverage for children. More than 95 percent have health plans through public programs and private insurance. Of the 18,000 children who remain uninsured, most would receive coverage if the state approved several changes to the Children's Health Insurance Program (CHIP).

Currently, children living in families earning up to 250 percent of the federal poverty level (FPL) are eligible for free or reduced health plans under CHIP or Medicaid. Census data estimates that all but 4.6 percent<sup>1</sup> of West Virginia children are now insured. Many of the remaining uninsured are already eligible for CHIP or Medicaid but not enrolled. The Governor and CHIP Board could help get West Virginia to the finish line and assure coverage for nearly all children by adopting the following improvements to CHIP:

### **1. Expand CHIP coverage to families earning up to 300 percent of FPL.**

With the reauthorization of the State Children's Health Insurance Program in February 2009, Congress has increased West Virginia's CHIP allotment by 73 percent from \$25 million to \$43.3 million,<sup>2</sup> providing plenty of money to expand the current West Virginia premium program to more families. An estimated 1,223 children could receive health coverage by 2013 by expanding eligibility from 250 percent of FPL to 300 percent. West Virginia can significantly improve the health and well-being of these children and working families by taking this small step.

The Children's Health Insurance Program Reauthorization Act (CHIPRA) has taken the uncertainty out of CHIP financing and provided an adequate and stable federal matching fund to sustain and strengthen state programs. It includes a strong base allotment and establishes supplemental funding sources that states can tap if needed, including an enrollment-driven contingency fund. In addition to increasing federal support, the new structure more quickly redirects funds away from states that do not use them and toward states that will. States that capitalize on the financing opportunities to cover more children will have increased future allotments.

In FY 2009, West Virginia CHIP is expected to spend \$36.9 million, which is \$6.4 million less than allocated.

If West Virginia does not act now, the state may lose the opportunity for federal support for expanded child health coverage in the future. Furthermore, West Virginia may qualify for a performance bonus by enrolling more children in CHIP or Medicaid.

### **2. Reduce waiting periods for CHIP.**

CHIP enrollment could be further enhanced through changes in the "look-back" provision, or how long a child must be uninsured before qualifying for CHIP. West Virginia has one of the longest look-back provisions in the country. For families with incomes below 200 percent of FPL, a child has to be uninsured for six months before he or she is eligible for CHIP.

Sixteen states have no look-back provision for these families, and 32 states have look-back provisions of three months or less. West Virginia could join these states and eliminate the look-back provision for families earning less than 200 percent of FPL. For families earning more than 200 percent of FPL, the look-back provision could be reduced from 12 months to three months.

In addition, the CHIP Board could review the current exceptions to the look-back provision and assure that certain qualifying events make children eligible immediately for CHIP without any look-back provisions. Qualifying events include:

- Cost of private family coverage in excess of 10 percent of monthly income;
- The death of a parent or divorce; and
- Separation of parents due to domestic violence.

### **3. Expand oral health benefits under CHIP.**

In general, states cannot use CHIP funds to provide coverage or cost-sharing help to children who have other insurance. The new law makes an exception for dental coverage. There is solid research showing that oral health is

linked to overall health. Good oral health in childhood leads to better overall health in adulthood. Assuring that low-income children have access to preventive oral health and dental services will promote the health of West Virginians.

Many children living in families earning less than 300 percent of FPL have health care coverage that does not include an oral health benefit. West Virginia CHIP could make this benefit available on equal terms for all children without oral health coverage. Specifically, the CHIP Board could:

- Equalize current oral health benefits between children above and below 200 percent FPL.
- Develop and market an oral health benefit for children with private coverage living in families earning less than 300 percent of FPL.
- Request clarification from the Centers for Medicare and Medicaid on whether or not PEIA-covered children are eligible for the oral health benefit under CHIP.

#### **4. Eliminate the five-year waiting period for legal immigrant children and pregnant women to qualify for CHIP or Medicaid.**

CHIPRA gives states a new option to provide Medicaid and CHIP coverage to lawfully residing immigrant children and pregnant women during their first five years in the country, if otherwise eligible. Prior to CHIPRA, Congress required a 5-year waiting period for immigrant children to receive public health benefits.<sup>3</sup>

West Virginia has an unknown but small number of immigrant children. To protect their health, DHHR and CHIP could immediately eliminate the 5-year waiting period and reach out to immigrant children to get them enrolled. Many immigrant children will become citizens and an important part of the future workforce. It is in the best interest of West Virginia to protect their health now.

#### **5. Review and act on other provisions in CHIPRA that will enhance eligibility and enrollment in CHIP and Medicaid.**

CHIPRA gives states many new options to enhance eligibility and enrollment. The West Virginia Center on Budget and Policy, West Virginians for Affordable Health Care and the West Virginia Healthy Kids and Families Coalition are convening a committee to optimize CHIPRA. We're inviting relevant state agencies and private sector groups to the table to review these options and make recommendations to West Virginia CHIP and Medicaid about which options the state should implement.

Options for review include:

- "Express Lane" eligibility options that allow CHIP and Medicaid enrollment through other public programs;
- Positioning West Virginia for a performance bonus;
- Covering pregnant women through CHIP;
- Employing new premium assistance options in Medicaid and CHIP;
- Using electronic options for verifying citizenship status;
- Eliminating in-person interview requirements for Medicaid-eligible parents; and
- Streamlining renewal through administrative verification.

#### **Endnotes**

- 1 Bureau of the Census, Current Population Survey 2008.
- 2 Federal Funds Information for States, FY 2009 CHIP State Allotments.
- 3 Georgetown University Health Policy Institute, Center for Children and Families. "The Children's Health Insurance Program Reauthorization Act of 2009, Overview and Summary," February 2009.



#### **West Virginia Center on Budget and Policy**

A policy research organization that focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families.

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[www.wvpolicy.org](http://www.wvpolicy.org)



West Virginians for Affordable Health Care

#### **West Virginians for Affordable Health Care**

A non-profit, public interest organization that focuses on systemic health care reform issues.

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#### **West Virginia Healthy Kids and Families Coalition**

A project of the West Virginia Council of Churches that encourages best practices and best policy for child and family health and promoting CHIP enrollment.

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