

Over 13,000 Washington Area Children Provided Health Insurance

by Jane Wallace McNeil

The **Children's Health Insurance Program (CHIP)** is one of a number of federally financed programs that provide benefits to low-income working families in the greater Washington area. The program was enacted October 1, 1997, as Title XXI of the Social Security Act. By October 1998, the program was implemented throughout the greater Washington area. During its first year of operation in Washington, D.C. and the surrounding areas, the program provided health insurance to more than 13,000 previously uninsured children. [See Table 1.]

The Children's Health Insurance Program provides health insurance to children under 19 years old from families with incomes too high for Medicaid but too low to afford private health insurance. Eligibility limits are set by each state but must be equal to or less than 200 percent of the Federal Poverty Line (i.e., \$33,400 for a family of four in 1999). In terms of program design, states may expand their Medicaid program, create an independent program, or combine the state's Medicaid program with an independent child health insurance program. The Federal government pays a share of actual program expenditures computed from the state's Medicaid Federal Medical Assistance Percentage. Cost sharing may be imposed on patients but states are not mandated to have co-pay requirements.

Besides providing a needed economic benefit to low-income families, the insurance should improve the health of children in low-income families, especially if well-child preventive care is encouraged and used. It is also anticipated that provision of child health insurance to families with workers in low-wage, low-benefit jobs will increase job retention rates by making it less likely that parents will quit jobs to qualify

for Medicaid benefits. Moreover, improved child health should reduce the number of dependent-care related job absences. Successful implementation of the Children's Health Insurance Program, therefore, is a key factor in an area's successful transition from welfare-to-work.

Children Enrolled	
District of Columbia	5,037
Maryland	
Calvert	198
Charles	350
Frederick	465
Montgomery	2,028
Prince George's	1,806
Total Maryland	4,847
Virginia	
Arlington	629
Fairfax	1,480
Loudoun	119
Prince William	625
Stafford	121
Alexandria	314
Fairfax City	3
Falls Church	5
Manassas City	107
Manassas Park	25
Total Virginia	3,428
Total Area	13,312

Source: Enrollments are from state offices administering CHIP. Data is as of Aug. 30, 1999 for D.C., Sept. 25, 1999 for MD, and Oct. 4, 1999 for VA.

Washington, D. C. — *D.C. Healthy Families*

The *D.C. Healthy Families* plan was approved on September 17, 1998. About \$12 million in federal funds for fiscal years 1998 and 1999 were received to implement the program. With CHIP and Medicaid funds, the District chose to expand its Medicaid program to include parents as well as children in families with incomes less than 200 percent of the federal poverty line (i.e., \$33,400 / household of four). Enrollees receive the District's regular Medicaid benefits package and are served through health maintenance organizations. There is no cost-sharing requirement for those receiving benefits. The federal share of District's expenditures for CHIP is 79 percent.

The average number of children under 19 years of age, in households with incomes at or below 200 percent of poverty in the District at the start of the program was estimated by U.S. Census to be 11,000. As a result of an aggressive publicity campaign, the District of Columbia has provided health insurance coverage to 5,037 of these previously uninsured children between October 1998 and August 1999. Under the District's program, \$137 per month is provided to health maintenance organizations for each person covered by the medical insurance program. The District anticipates serving 9,624 children through its expanded Medicaid program by September 2000.

Maryland — *HealthChoice*

The Maryland *HealthChoice* plan was approved on July 29, 1998. The State received over \$61 million in federal funds for fiscal year 1998 and 1999 and chose to use the funds to expand its Medicaid program to previously uninsured children whose family income is below 200 percent of poverty. The children will receive the state's Medicaid benefits package and will be served through managed care organizations. There is no co-pay requirement. The federal share of Maryland's expenditures is 65 percent.

As of September 25, 1999, there were 4,847 children enrolled in the program in suburban Maryland.

For each person enrolled, the State makes a per capita payment to a selected managed care organization. The per capita amount paid to the managed care organization varies according to age, medical status, and other health-related factors for the individual being covered. To date, the State has paid approximately \$1200-\$1400/year for each enrollee.

During the first month of an enrollee's participation in the State's health insurance program, fees-for-service are paid to direct service providers. This allows participants time to select a managed care organization and allows selected managed care organizations time to be notified.

Virginia — *Children's Medical Security Insurance Plan (CMSIP)*

The Virginia plan was approved on October 22, 1998. The Commonwealth received about \$68 million in federal funds for fiscal years 1998 and 1999. Virginia chose to establish the *Children's Medical Security Insurance Plan (CMSIP)* separate from the state's Medicaid program. The program is designed to provide benefits to children under age 19 in families with incomes up to 185 percent of the federal poverty line (i.e., \$30,895/household of four). The benefit package includes inpatient and outpatient care, laboratory services, and substance abuse treatment.

During fiscal year 1999, the Commonwealth of Virginia enrolled 3,428 previously uninsured children in northern Virginia and made \$713,806 worth of payments for services rendered. All payments were fee-for-service payments to physicians, hospitals, pharmacies or other direct service providers. No health maintenance organizations are used in the northern Virginia jurisdictions. The federal share of Virginia's expenditures is 66 percent.

Source: Information on CHIP operations and financing is from state and federal CHIP offices.