



Children's Defense Fund

Alternative Mechanisms to Reach Overarching Goals of Covering All Children Equitably

Problem Addressed	CDF Proposal	Medicaid Structure Approach	SCHIP Structure Approach	Incremental, Combination Approach
Geographic differences in eligibility based on age and income levels in coverage for children	Set one national standard for income eligibility without any age differentials and prohibit additional barriers in new program (asset tests, renewals, etc.)	Require states to adopt a uniform level of eligibility for Medicaid for 18 and younger (eliminate state income and age differentials); require states to repeal all barriers to enrollment and retention	Require states to adopt uniform level of eligibility (eliminate state income and age differentials) and require states to repeal all barriers to enrollment and retention	Require states to adopt uniform level of income eligibility for both Medicaid and SCHIP without age differentials (Medicaid cut off for all states at predetermined level and SCHIP threshold at that point); require states to repeal all barriers to enrollment and retention
Geographic differences in quality of benefits provided (or not provided)	Require EPSDT benefit	Retain EPSDT benefit	Require EPSDT benefit	Require SCHIP to provide the Medicaid EPSDT benefit
Groups of children excluded from coverage based on income or immigration status	Creates buy-in for higher income; includes undocumented immigrant children	Expand existing option for buy-in to all children; repeal Medicaid waiting periods for immigrant children and eliminate immigration status requirements	Create a buy-in option for all children; repeal waiting periods; eliminate immigration status barriers	Fix both programs to create options for buy-ins and eliminate immigration status barriers
Caps on funding; state reluctance to enroll more children because of potential cost	No cap; entitlement, federal match at 100% for newly enrolled	No cap but federal match must be increased to avoid state share of costs from increasing	Remove cap; create entitlement; increase federal match to 100% for newly enrolled	Remove SCHIP ceiling; create SCHIP entitlement; increase federal match to cover all newly enrolled children for both programs
Children eligible but not enrolled	Auto-enrollment	Add auto-enrollment	Add auto-enrollment	Add auto-enrollment
Children bounced in and out of programs	All children placed in single program	Repeal SCHIP so that all children are in single program	Remove children from Medicaid so that all children are in single program	Not addressed
Inability to find providers willing to accept children	Increase provider rates	Increase Medicaid provider rates only for children	Increase SCHIP reimbursement rates	Increase both SCHIP and Medicaid provider rates for children



Medicaid Stigma	Eliminated	Not addressed	Eliminated	Not addressed
Complexity of two different systems	One system for all children	Repeal SCHIP; put all children below 300% into Medicaid	Move children out of Medicaid into SCHIP (extremely harmful unless benefits and entitlement also transferred)	Not addressed
Enforceability	Entitlement, private right of action	Entitlement, private right of action retained	Create entitlement and private right of action	Retain entitlement and private right of action for Medicaid, create them for SCHIP
General Comments	Program designed with all components	To "fix" the program would require the same political capital (i.e., to require states to adopt new uniform eligibility standards, provide \$\$ to cover newly enrolled and not address stigma, Medicaid funding pressures from other enrollees	To "fix" the program would require the same political capital (i.e., to require states to adopt new uniform eligibility stands, provide \$\$ to cover newly enrolled, to add the EPSDT benefit and entitlement status	To "fix" the programs would leave the complexities of two systems and require the same political capital to fix the programs



How SCHIP Can Be Expanded and Strengthened to Serve All Children With Comprehensive Benefits and Less Bureaucracy

	\$70 billion over 5 years (All Healthy Children Act, S. 1564/H.R. 1688)	\$50 billion over 5 years (2007 House bill)	\$35 billion over 5 years (passed by Congress in 2007 and vetoed twice by President Bush)
Number of children covered	7.5 million children ("All" children up to 300% FPL with the buy-in above 300% FPL)	4.2 million, including ICHIA for legal immigrant children	3.2 million (when passed in 2007) In 2009, will cover <u>less than 3 million</u> children
Eligibility	300% FPL plus affordable buy-in if over 300%	Each state determines eligibility level but could go up to 300%	Each state determines eligibility level but could go up to 300%
Benefits	Guaranteed EPSDT benefits (all medically necessary services)	Guaranteed dental; potential for mental health parity (now passed in separate legislation)	Guaranteed dental; potential for mental health parity (now passed in separate legislation)
Enrollment	True simplification and removal of barriers	Bonus payments for adopting simplification options	Bonus payments for adopting simplification options
Pregnant women	Covered	Option to cover	Option to cover
Immigrant children	Covered	Legal immigrant children covered under ICHIA	Not covered

Based on Lewin Associates cost study – no other independent cost study was done on the number of children that could be served under Congressional bills. The principles and provisions of the *All Healthy Children Act* were endorsed by 1,250 national, state and local groups representing 100 million Americans. It garnered 64 co-sponsors—the largest of any child health coverage bill in Congress in 2007. It builds on progress made and seeks to correct problems identified that left 9 million children uninsured, including 6 million children who are currently eligible but not enrolled.