



What Does New Federal CHIP Law Mean for Children's Health Insurance in Florida?

by Joan Alker

Key Findings

- As a result of recent Congressional action, stable federal funding for the Children's Health Insurance Program is now assured for 10 years. A temporary increase in the federal match rate will end over this period, and states will have to assume a greater share of the costs. However, Florida is receiving more federal dollars than expected for federal fiscal year (FFY) 2020.
- Federal law now ensures that Florida may not lower income eligibility levels for children in the CHIP and Medicaid programs. Florida currently covers children up to 215 percent of the federal poverty line.
- By FFY 2024 (October 1, 2023) Florida will be required to report all measures of the Child Core Set which measures quality of care in Medicaid and CHIP. These are indicators of child health such as immunization rates and preventive dental screenings. Florida has been doing a relatively good job of reporting these measures on a voluntary basis, but the state's performance on most measures is below average.

Overview

After much delay, Congress recently passed two extensions of the Children's Health Insurance Program (CHIP) which funds coverage for approximately 345,000 children in Florida. CHIP covers children in families with incomes over the poverty line that are not eligible for Medicaid but can't afford private insurance. CHIP is a federal-state matching program and states contribute a share of the cost. The federal government's share has been very generous in the last few years. Federal funding for CHIP has now been extended for 10 years, although the federal share of Florida's program will decline over this time from a high of 96 percent back to CHIP's regular match rate of approximately 72 percent by FFY 2021. *Additionally, federal law now ensures that children's income eligibility for CHIP and Medicaid in Florida cannot be lowered over this time period.*

This brief will offer an explainer on the role CHIP plays for children's coverage in Florida and unpack provisions of the new federal law and their implications for Florida.

Children's Health Coverage in Florida

Medicaid and the Children's Health Insurance Program (CHIP) cover a combined 44 percent of children in the state of Florida. Medicaid funding provides coverage to over two million Floridian children, and CHIP funds coverage for more than 345,000 children. Florida has three different CHIP programs: MediKids, Healthy Kids, and the Children's Medical Services Managed Care Plan. CHIP funding is also used to pay for the coverage of some children in Medicaid.

Over the years, Medicaid and CHIP have worked together to reduce the number of uninsured children in Florida.¹ Florida's child uninsured rate has declined considerably to 6.2 percent, but it is still higher than the national rate of 4.5 percent.



In Florida, and nationally, CHIP covers far fewer children than Medicaid. However, the CHIP program has been instrumental in reducing the number of uninsured children. The outreach efforts associated with the program, as well as the high federal funding match rate, has led many states

to expand eligibility for kids. In 2016, for example, Florida expanded eligibility in Medicaid and CHIP to lawfully-present immigrant children who had resided in the United States for less than five years.

Federal Funding for CHIP – What Did Congress Just Do?

Unlike Medicaid, CHIP is a block grant, not an entitlement program. As a result, CHIP’s funding and authorization require Congressional action every time they expire. Because of this, only children within the state’s predetermined funding limit will receive coverage. It should be noted, however, that CHIP is a unique block grant that has historically had generous funding.

CHIP funding expired on September 30, 2017. The program operated on carryover funds for months, creating difficulties for states and families. After much delay, Congress passed two extensions of CHIP funding. On January 22, 2018, Congress passed a Continuing Resolution (CR) that included the Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act (HEALTHY KIDS Act).² The HEALTHY KIDS Act included funding for CHIP for six years.³ Just over two weeks later, on February 8, 2018, Congress passed another CR with many different health care provisions attached, including four more years of CHIP funding.⁴ As a result CHIP is now adequately federally funded for 10 years—through September 23, 2023 (Federal FY 2023).

Florida’s FFY 2018 allotment is \$734,065,064—some of which has already been disbursed.⁵ If Florida’s enrollment

exceeds expectations, in FY 2018 or any other year, the state can receive extra federal funds through a contingency fund.

Matching rate: CHIP is a federal-state matching program which means that the cost is shared between federal and state governments. CHIP has always had a more generous federal share of the match than Medicaid, with the federal government picking up a majority of the costs. Currently, the federal share of the CHIP match rate in Florida is around 95 percent as a result of The Affordable Care Act (ACA), which increased the federal match for all states by 23 percentage points for FFY 2016 through FFY 2019. This is known as the “CHIP bump” and was designed to be temporary.

Recent Congressional action continues funding for the “CHIP bump” at current levels through FFY 2019. The match rate then begins to phase down with a 11.5 percentage point decline in FFY 2020, before returning to the state’s regular CHIP rate in FFY 2021 and beyond. This gradual phase-down will help states as they plan their budgets that start before the federal fiscal year. In fact, the phase-down was not anticipated by many states including Florida as they planned for their future CHIP spending. This means that in FFY 2020 Florida will receive more federal matching funds than was anticipated by the Social Services Estimating Conference.⁶

How will this affect Florida?

Florida’s CHIP matching rate over the next few years is shown in Figure 1. The current match rate of 95 percent will end on September 30, 2019 and begin phasing down until the state’s regular CHIP match rate returns on October 1, 2020.

Figure 1. Florida’s CHIP Match Rate

FFY 2014	FFY 2015	FFY 2016	FFY 2017	FFY 2018	FFY 2019	FFY 2020	FFY 2021
71.15%	71.80%	95.47%	95.77%	96.25%	95.61%	84.01%	72.69%

Source: “Expenditure Social Services Estimating Conference Florida KidCare Program,” (Tallahassee: Office of Economic and Demographic Research, February 5, 2018).

Other Provisions of Recently Enacted Federal CHIP Law that Will Affect Florida

Florida cannot reduce child income eligibility for Medicaid or Healthy Kids. The ACA required states to maintain income eligibility standards, methodologies, and procedures—known as the “maintenance of effort” or MOE—for children in Medicaid and CHIP through FFY 2019.

In Florida, CHIP funds coverage for children in families of three earning up to about \$3,723 per month. See Figure 2. Florida's child income eligibility level is significantly below the national average of 255 percent of the federal poverty line (\$4,254 a month for a family of three).

Congress maintained this provision and extended it through FFY 2027. The MOE has helped bring the uninsured rate for children down to an historic low by keeping children’s coverage steady during a time of great change in the nation’s health system overall.

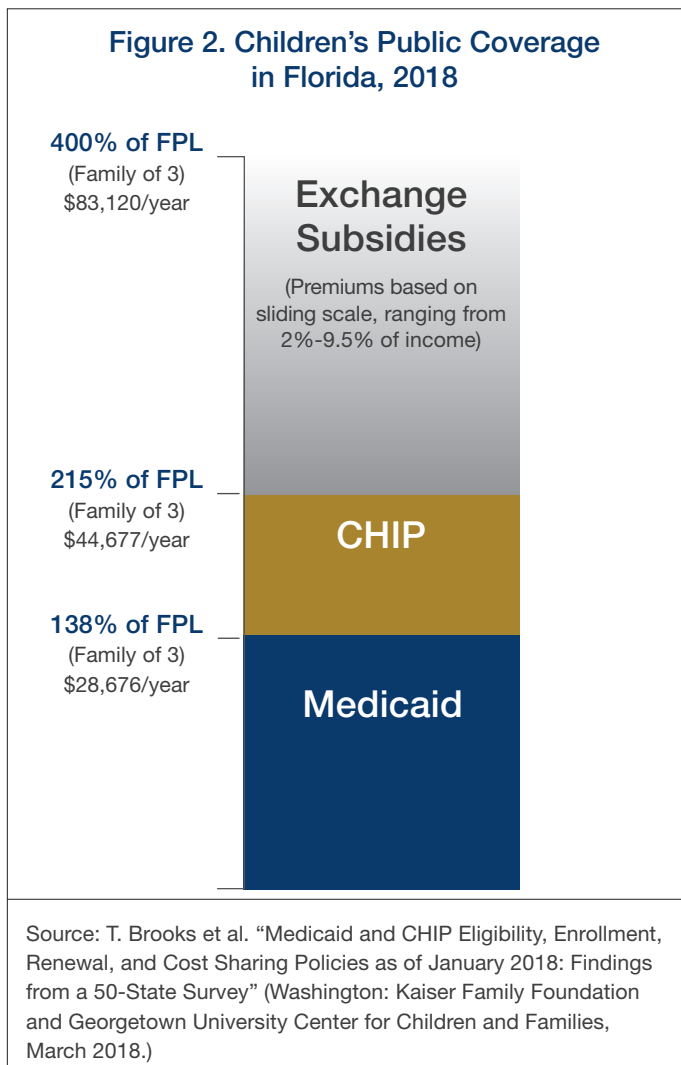
Although the recent federal provisions did modify the MOE in FFY 2020 to allow flexibility for certain states to roll back eligibility if they wish, this will not affect Florida because its income standards are relatively low. *What this means in practice is that Florida cannot reduce children’s eligibility below its eligibility standard in place on March 23, 2010 nor can the state take steps, such as increasing premiums, that will make it harder for families to retain their child’s coverage.*⁷ Precisely how the eligibility standard is determined for that date awaits guidance from the federal Centers for Medicare and Medicaid Services.

It is already clear from previously issued federal guidance though that the state will not be able to raise premiums.⁸ Families with children age 1 to 5 whose incomes range from 140 percent FPL to 158 percent FPL and families with children age 6 to 18 from 133 percent FPL to 158 percent FPL are charged \$15 a month. Families with incomes above these income levels to 215 percent FPL (the upper income eligibility level for CHIP) are charged \$20 a month.⁹

Mandatory Quality Reporting

Beginning in FFY 2024, the ACCESS Act requires states to report all of the Child Core Set quality measures for Medicaid and CHIP. These quality measures examine metrics such as childhood immunizations, preventive dental care and depression screenings—measures that can help policy makers and public health experts assess the services children are receiving in the Medicaid and CHIP programs. Since the Child Core Set was developed, reporting has been voluntary.¹⁰

Figure 2. Children’s Public Coverage in Florida, 2018





Over the past several years, Florida has reported a higher number of Child Core Set measures than the median number of measures reported by all states (Figure 3). Florida's strong reporting was in part spurred by a 5-year CHIPRA Quality Demonstration Grant that the state shared with Illinois to support the collection, aggregation and reporting of the measures using multiple existing data sources from various children's programs across state agencies.¹¹ The number of measures Florida is reporting has not improved over time as Figure 3 shows.

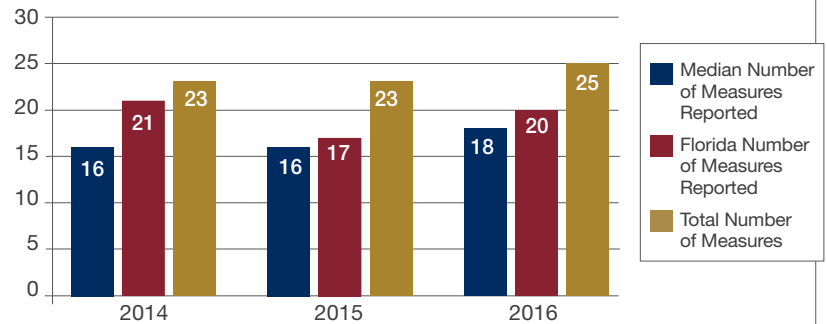
While Florida has achieved higher than average reporting, the state's performance on the measures is below average. Florida ranked below average on 15 measures and above the median on 11 measures in the most recent data available (Figure 4).¹² The state achieved the top quartile ranking on only one measure which was for Chlamydia screenings for females age 16-20 (see Appendix). Florida performed poorly on dental services; primary care access for two age groups (7-11; 12-19) and developmental screenings for children under the age of three.

CHIP Look-Alike Plans

Some states operate CHIP look-alike or buy-in programs whereby families with incomes above the CHIP eligibility threshold are able to purchase CHIP coverage for their children at full cost. These programs were more common before the ACA when additional coverage options became available, but four states continue to operate them today, including Florida.

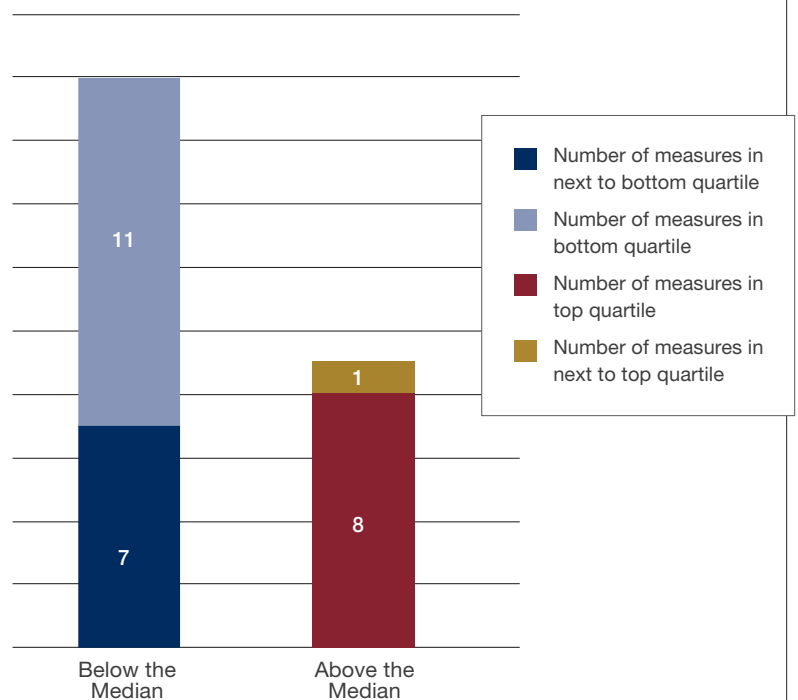
Because the buy-in programs are not federally funded, they are not under the purview of Congress or CMS. However, the HEALTHY KIDS Act includes two policies related to CHIP buy-in programs. First, it clarifies that states may use a blended risk pool—combining regular CHIP and buy-in enrollees. This helps to lower rates for families buying into the program. Second, it adds

Figure 3. Number of Child Core Set Measures Reported by Florida



Source: Georgetown CCF Analysis of CMS Quality of Care for Children in Medicaid and CHIP: Findings from the 2016 Child Core Set Chart Pack, December 2017.

Figure 4. Florida Reporting on Child Core Set of Health Care Quality Measures in Medicaid/CHIP in 2016 Quartile Rankings



Source: Georgetown CCF Analysis of CMS Quality of Care for Children in Medicaid and CHIP: Findings from the 2016 Child Core Set Chart Pack, December 2017.



buy-in programs to the list of programs that automatically meet the minimum essential coverage requirements under the ACA as long as the benefits are identical to the benefits in the state's CHIP plan. These changes were included in large part due to confusion from the state of Florida as to whether it could continue its CHIP buy-in program.

Outreach and Enrollment Grants

In 2009, CHIPRA also created a grant program to improve outreach and enrollment in Medicaid and CHIP. Recent Congressional action on CHIP marks the third extension of this program, which has provided four rounds of grants to community-based organizations and states, as well as three rounds to Tribal organizations to enroll more children.

Conclusion

Some key changes as a result of the federal law that affect Florida include the phasing down of the currently enhanced federal funding of CHIP but at a slower pace than was expected. This provides Florida with some additional funding in federal fiscal year 2020. Florida cannot lower its income eligibility levels for children in Medicaid and CHIP, nor can the state increase premiums for the next 10 years.

Examples of organizations in Florida that have received these grants in the recent past include the University of South Florida (to fund application assisters) and the Putnam County School District (which targeted the enrollment and retention of uninsured teens).¹³

The program is now authorized through FFY 2027 and an additional \$120 million is available for future grant-making nationwide for FFYs 2018-2023 and an additional \$48 million is available for grants in FFYs 2024-2027. No further details on how the funds will be awarded are available as yet, and due to the delayed action by Congress it is likely that current grantees will see a gap in funding at best.

Now that stability has been achieved in children's coverage with the federal extension of the Children's Health Insurance Program, Florida should focus on improving the quality of care for children and revisit efforts to reduce the number of uninsured children—which remains high relative to the national average.



Appendix: Florida Quartile Rankings on Child Core Set Measures, 2016

Measures Falling in the Bottom Quartile

- Percentage of Hospitalizations for Mental Illness with a Follow-Up Visit Within 30 Days of Discharge: Ages 6-20
- Emergency Department Visits per 1,000 Enrollee-Months: Ages 0-19
- Percentage with at Least 1 Preventive Dental Service: Ages 1-20
- Percentage at Elevated Risk of Dental Caries (Moderate or High Risk) who Received a Sealant on a Permanent First Molar Tooth:
 - Ages 6-9
- Percentage with a PCP Visit in the Past Two Years: Ages 7-11 Years
- Percentage with a PCP Visit in the Past Two Years: Ages 12-19 Years
- Percentage Screened for Risk of Developmental, Behavioral, and Social Delays Using a Standardized Screening Tool: Ages 0-3

Measures Falling in the Next to Bottom Quartile

- Percentage Newly Prescribed ADHD Medication with 1 Follow-Up Visit During the 30-Day Initiation Phase: Ages 6-12
- Percentage Newly Prescribed ADHD Medication with at Least 2 Follow-Up Visits During the 10-Month Continuation and Maintenance Phase: Ages 6-12
- Percentage of Hospitalizations for Mental Illness with a Follow-Up Visit Within 7 Days of Discharge: Ages 6-20
- Percentage with Persistent Asthma who were Dispensed Appropriate Medication and Remained on Medication for at Least 75 Percent of Treatment Period: Ages 5-11
- Percentage with Persistent Asthma who were Dispensed Appropriate Medication and Remained on Medication for at Least 75 Percent of Treatment Period: Ages 5-20
- Percentage with a PCP Visit in the Past Year: Ages 12-24 Months
- Percentage of Children who had 6 or More Well-Child Visits with a Primary Care Practitioner during the First 15 Months of Life
- Percentage Up-to-Date on Immunizations (Combination 1) by their 13th Birthday

Measures Falling in the Next to Top Quartile

- Percentage on Two or More Concurrent Antipsychotic Medications: Ages 1-17 [Lower rates are better]
- Percentage with Persistent Asthma who were Dispensed Appropriate Medication and Remained on Medication for at Least 75 Percent of Treatment Period: Ages 12-18
- Percentage with Persistent Asthma who were Dispensed Appropriate Medication and Remained on Medication for at Least 75 Percent of Treatment Period: Ages 19-20
- Percentage of Women Delivering a Live Birth who had More Than 80 Percent of Expected Prenatal Visits
- Percentage of Women Delivering a Live Birth with a Prenatal Care Visit in the First Trimester or within 42 Days of Medicaid/CHIP Enrollment
- Percentage with a PCP Visit in the Past Year: Ages 25 Months-6 Years
- Percentage who had 1 or More Well-Child Visits with a Primary Care Practitioner: Ages 3-6
- Percentage with at Least 1 Well-Care Visit with a Primary Care Practitioner or an Obstetrical/Gynecological Practitioner: Ages 12-21
- Percentage Up-to-Date on Immunizations (Combination 3) by their Second Birthday
- Percentage of Female Adolescents Receiving Three Human Papillomavirus Vaccine Doses by their 13th Birthday
- Percentage who had an Outpatient Visit with a Primary Care Practitioner or Obstetrical/Gynecological Practitioner who had Body Mass Index Percentile Documented in the Medical Record: Ages 3-17

Measures Falling in the Top Quartile

- Percentage of Sexually Active Women Screened for Chlamydia: Ages 16-20



Endnotes

¹ For more information on how Medicaid and CHIP work in Florida see the previous brief in this series J. Alker and K. Wagnerman “Children’s Coverage in Florida: A Closer Look at Medicaid and the Children’s Health Insurance Program” (Washington: Georgetown University Center for Children and Families, September 2017), available at <https://ccf.georgetown.edu/wp-content/uploads/2017/10/Florida-CHIP-brief-10-05-rev-2.pdf>. An updated version of this work can be found in the *Journal of American Medical Research* 5(1): 13-22.

² See P.L. 115-120. The CHIP-related provisions are in “Division C – HEALTHY KIDS Act.”

³ K. Whitener, “HEALTHY KIDS and ACCESS Acts: Summary of Key Provisions Impacting Children” (Washington: Georgetown University Center for Children and Families, March 2018), available at <https://ccf.georgetown.edu/wp-content/uploads/2018/03/Healthy-Kids-Access-Acts-FINAL-1.pdf>.

⁴ See P.L. 115-123. The CHIP-related provisions are in “Division E – Advancing Chronic Care, Extenders, and Social Services (ACCESS) Act.”

⁵ Email communication from CMS, March 6, 2018. Allotments are preliminary and subject to change in accordance with the statutory formula.

⁶ Medicaid Federal Share of Matching Funds, January 19, 2018, Social Services Estimating Conference. Accessed at <http://edr.state.fl.us/Content/conferences/medicaid/fmap.pdf>. The projection assumes a CHIP federal matching rate of 72.51% starting in October, 2018.

⁷ Centers for Medicare and Medicaid Services, SMDL 11-001 Re: Maintenance of Effort February 25, 2011, available at <https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SMD11001.pdf>.

⁸ Ibid.

⁹ Florida “Healthy Kids “ CHIP State Plan – Premium structure, July 1, 2014. Accessed at www.medicaid.gov/CHIP?Downloads/FL/FL-CHIPSPA-25.pdf.

¹⁰ “CMS Quality of Care for Children in Medicaid and CHIP: Findings from the 2016 Child Core Set Chart Pack” (Washington: Centers for Medicare and Medicaid Services, December 2017), available at <https://www.medicaid.gov/medicaid/quality-of-care/downloads/performance-measurement/2017-child-chart-pack.pdf>.

¹¹ “State at a Glance: Florida,” Agency for Healthcare Research and Quality, available at <https://www.ahrq.gov/policymakers/chipra/demoeval/demostates/fl.html#overview>.

¹² CMS releases state-level data if at least 25 states report a measure and ranks each state’s performance in quartiles. Some measures are reported as sub-measures based on age or other breakouts

¹³ “2016 Cycle IV Cooperative Agreement Awards Summary,” Insure Kids Now, available at <https://www.insurekidsnow.gov/campaign/funding/2016-cycle-iv/summary/index.html>.

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