



## **Childhood Asthma Leadership Coalition Urges Congress to Extend CHIP For 5 Years**

**September 2017**

### **Introduction**

Asthma is the second most common chronic condition among children in the U.S, affecting approximately 7 million children under age 18. And the disease is on the rise. Since the 1980s the number of children with asthma has nearly doubled.<sup>1</sup> Children from low income and minority families suffer the greatest burden of the disease and accompanying adverse outcomes such as hospitalizations and emergency room visits. **The Children's Health Insurance Program (CHIP) is an essential source of coverage for nearly 8.9 million children. Working in tandem with Medicaid, it is estimated that approximately 925,000 children with asthma are covered by CHIP. CHIP funding expires on September 30, 2017. Congress must act now to extend funding for this critically important program.**

### **CHIP and Children with Asthma**

CHIP has played an essential role for children with asthma.

- Children with asthma are known to face chronic barriers to asthma care, including: having a usual source of care, paying for asthma-related medical visits, and having access to anti-inflammatory medications and frequent changes in asthma severity. A study published in the journal *Pediatrics* examined the impact of CHIP on children with asthma and quality of asthma care. Children in the study had fewer asthma-related attacks and medical visits after enrolling in CHIP.<sup>2</sup>
- Several other studies have shown that children with chronic care needs such as asthma who enroll in CHIP receive improved access to health services, improved access to specialty care, were more likely to receive needed medications, and were far less likely to be hospitalized for their condition.<sup>3</sup>

Without a doubt, CHIP has played a significant role in reducing asthma disparities and ensuring children with asthma have access to high quality, affordable care. Because a significant number of children with asthma rely on CHIP for their health insurance coverage, how they would fare if CHIP were no longer available is a serious concern. The Government Accountability Office estimates that if CHIP funding expires as scheduled on September 30, 2017, up to 2 million currently insured children could become uninsured.<sup>4</sup>

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<sup>1</sup> Mundell, E. Rise in Child Chronic Illness Could Swamp Health Care. 2017 Mar. ABC News. <http://abcnews.go.com/Health/Healthday/story?id=4507708&page=1>

<sup>2</sup> Szilagyi, P., et. al. Improved asthma care after enrollment in the State's Children Health Insurance Program in New York. *Pediatrics*. 2006 Feb; 117(2): 486-96.

<sup>3</sup> Kenney, G. The impacts of the State Children's Health Insurance Program Expansions on children with chronic health conditions. *Health Services Research*. 2007 Aug; 42(4) 1520-43.

<sup>4</sup> Government Accountability Office. "Information on Coverage of Services, Costs to Consumers, and Access to Care in CHIP and Other Sources of Insurance." Mar 2015.

## CHIP Provides Meaningful Coverage for Children

CHIP is a model program that has played a critical role in reducing the number of uninsured children by more than 68%, from nearly 15% in 1997 to a record of less than five percent in 2015.<sup>5</sup>

- Marketplace coverage falls short for children: While alternative coverage could be available for some portion of the children who would be displaced without CHIP, Marketplace coverage affordability and benefits fall short when compared with CHIP, especially for children with chronic and special medical needs like asthma.
  - Marketplace coverage has fewer child-specific benefits at a higher cost for children: A study conducted by the Wakely Consulting Group shows that Marketplace plans provide fewer child-specific benefits at a significantly higher cost to families.<sup>6</sup> Without a comparable alternative coverage option, the data suggests that the end of CHIP would result in a significant uptick in the numbers of uninsured and underinsured children.
  - EPSDT provides important services for children: CHIP benefits are designed with children's needs in mind. In Medicaid-expansion CHIP programs, children receive Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, a strong set of benefits designed to meet children's needs. This benefit is particularly important for children with asthma and other chronic illnesses who require an array of services on an ongoing basis. Some states with separate CHIP programs have also developed comprehensive benefit packages.
  - Cost Sharing: For many families, CHIP is the only affordable insurance option for their children. CHIP plans have significantly lower average cost-sharing than Marketplace plans. In every state studied, it was estimated that children in CHIP could see up to a ten-fold increase in the cost-sharing they pay if they were transitioned to Marketplace coverage. CHIP also contains important cost-sharing protections that limit a family's aggregate cost-sharing to five percent of family income.<sup>7</sup>
  - Network Adequacy: Because CHIP is a program dedicated to children, CHIP has pediatric provider networks designed to meet their needs. For example, under CHIP, children have access to a full range of primary, specialty and ancillary pediatric providers to ensure that they receive comprehensive, medically and developmentally appropriate care. In addition, CHIP requires states to ensure that children with special health care needs have access to specialists and out-of-network providers when the CHIP provider network does not meet a child's health needs. For children with asthma, these protections are essential.

***Conclusion: CHIP is a success story. A 2014 congressionally-mandated evaluation concluded that CHIP had been "successful in nearly every area examined." It is critical that the coverage sources that are working well for children are not disrupted. Congress must act now to enact a 5-year extension of CHIP before the September 30<sup>th</sup> funding deadline. This is important for all children enrolled in CHIP, but extremely critical for those who have special or ongoing chronic health care needs like asthma.***

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<sup>5</sup> Paradise, J. Medicaid moving forward. Kaiser Family Foundation. Mar 2015. <http://www.kff.org/health-reform/issue-brief/medicaid-moving-forward/>

<sup>6</sup> Bly, A., Lerche, J. Rustagi, K. Comparison of benefits and cost sharing in Children's Health Insurance Program to qualified health plans. Wakely Consulting Group. <http://www.wakely.com/wp-content/uploads/2014/07/FINAL-CHIP-vs-QHP-Cost-Sharing-and-Benefits-Comparison-First-Focus-July-2014-.pdf>.

<sup>7</sup> Ibid.