

Congress of the United States
Washington, DC 20515

January 8, 2015

Dr. Anne L. Schwartz
Executive Director
Medicaid and CHIP Payment and Access Commission
1800 M Street, N.W., Suite 650 South
Washington, D.C. 20036

Dear Dr. Schwartz:

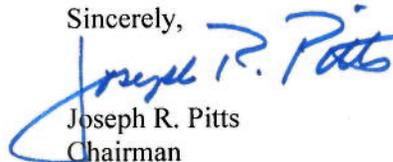
Thank you for appearing before the Subcommittee on Health on Wednesday, December 3, 2014, to testify at the hearing entitled "The Future of the Children's Health Insurance Program."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Thursday, January 22, 2015. Your responses should be mailed to Adrianna Simonelli, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to Adrianna.Simonelli@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Joseph R. Pitts
Chairman
Subcommittee on Health

cc: The Honorable Frank Pallone, Jr., Ranking Member, Subcommittee on Health

Attachment

Attachment — Additional Questions for the Record

The Honorable Joseph R. Pitts

1. What are the current estimates (CBO's and/or MACPAC's estimates) regarding the coverage effects on current CHIP enrollees if Federal CHIP funding is or is not extended? Specifically, what proportion of CHIP enrollees are expected to obtain coverage from Medicaid, the exchange, or employer-sponsored insurance, and what proportion are expected to become uninsured?
2. Many of the members from both sides of the aisle at the December 3rd hearing, as well as health care providers and children's advocates, have praised CHIP as a program that is currently successful. Can you confirm that if Congress were to eliminate the 23 percent increase to the E-FMAP in current law, CBO projects that extending CHIP for two years could save federal money/reduce the deficit?
3. As Congress moves to probably extend CHIP funding in some form, what offsets does the Commission recommend for our consideration? Will MACPAC commit to working to inform us on offsets for funding CHIP in a timely manner, similar to how MedPAC does for Medicare policies?
4. The bipartisan Rivlin-Domenici Debt Reduction Task Force – led by former Clinton White House OMB Director Alice Rivlin and Republican Senator Pete Domenici— warned that “the present debt trajectory of the United States federal government cannot be sustained and poses grave dangers to the American economy.” They noted lawmakers “must make difficult decisions to get our fiscal house in order,” acknowledging that “any realistic solution must include structural reforms to entitlements.” Rivlin-Domenici noted that two of their operative principles were two (a) protect the truly disadvantaged to ensure a sustainable safety net while (b) making spending reductions and adopting policy reforms that focused benefits on those who need them the most. When does MACPAC expect to recommend to Congress policies that will reduce Medicaid spending, while adhering to these sound principles?
5. With all of the outreach that has occurred under the current CHIP program and given the amount of federal dollars spent on outreach encouraging consumers to get enrolled in health coverage related to the health care law, what, if any, policy rationale is there for continued federal funding of CHIP performance bonuses? Do states already receive federal matching funds for the outreach conducted?
6. The Affordable Care Act/Obamacare required states to use modified-adjusted gross income (MAGI) for CHIP eligibility. What, if any, income sources are excluded from the MAGI calculation as part of CHIP eligibility determination and what is the rationale for these exclusions?
7. States have told us that, as a result of the modified-adjusted gross income (MAGI) calculation's treatment of lump sum payments, lottery winners are currently enrolled in Medicaid. In fact, in 2014, one state reported to us that roughly one in four of their lottery winners were enrolled in Medicaid or had a family member in Medicaid. This includes at least one individual who won more than \$25 million. Since CHIP uses MAGI calculations as well, is it possible that CHIP is providing coverage for lottery winners? Please explain how lump sum payments such as lottery winnings are treated under the MAGI calculation? Does MACPAC believe it is appropriate for

multi-million dollar lottery winners who may have bank accounts greater than some CEOs to receive Medicaid?

8. MACPAC has recommended creating a statutory option for states to implement 12-months continuous eligibility for children in CHIP. To what extent does a 12-month continuous eligibility option result in CHIP coverage for individuals from families with incomes above the CHIP eligibility thresholds? How does a 12-month continuous eligibility policy affect the required premiums and cost sharing for an enrollee? Could it result in an enrollee paying more or less than required based on their current income?
9. How does the current eligibility requirements of CHIP, Medicaid, and Exchange coverage affect whether or not parents and children have the same health coverage? Please provide illustrative examples of situations where a family may have members with different coverage, such as a child in CHIP and a parent with coverage on the Exchange.

The Honorable Frank Pallone, Jr.

1. Sometimes we hear people criticize Medicaid, and even CHIP, as being a “government run” program. While the federal government provides financial support and broad parameters, states have a lot of flexibility to design their programs. Do you agree?
2. Isn't it true that most of the coverage provided under both Medicaid and CHIP is provided through private insurance companies, either HMOs or some other arrangement?
3. What Medicaid and CHIP do guarantee, however, is coverage that is child-appropriate. In Medicaid, and in CHIP programs provided through Medicaid, children are guaranteed the Early Periodic Screening Detection and Treatment (EPSDT) benefit. Could you discuss what EPSDT provides that is critical for children?
4. In the responses from Governors that the Committee received to its July 2014 letter on the CHIP program, most governors expressed interest that Congress should act quickly to extend CHIP funding. I strongly agree that we need to act quickly. Please share some of the administrative and operational challenges that states would face if Congress were to delay acting on this issue?
5. The Affordable Care Act took many steps to simplify how CHIP and Medicaid are administered, to ensure greater coverage of children—one of these steps was to create a uniform income eligibility standard for siblings within families. Prior to this, because of differences in income eligibility limits based on age, there were families with children who would no longer be eligible for Medicaid when they turned six, even as their younger siblings remained on Medicaid. The ACA effectively moved some children from CHIP to Medicaid coverage. Some of my colleagues across the aisle talk about this like it's a bad thing, and that “millions” of children have been affected.
 - a. Can you give us an estimate of how many children have been affected by this “stairstep” provision?
 - b. Can you also discuss the benefits of the stairstep provision for children and for States?
6. When Congress passed the Affordable Care Act, it included a provision called the Maintenance of Effort that required states to maintain coverage levels for children in Medicaid through 2019. The intent of this provision was to ensure that millions of low to moderate income children currently covered under Medicaid did not find themselves suddenly uninsured or underinsured as new coverage options were coming available. While I am sure a very small handful of states, if

given the opportunity would simply drop coverage and hope children found their way to Marketplace coverage – most states appreciate the value of Medicaid and CHIP for children and would not take such a step. In the CHIP arena, however, I have heard some complaints that it is unfair that States that operate separate CHIP programs could simply drop children’s coverage if CHIP funding is not continued, while for States that have chosen to administer CHIP via their Medicaid program, they will have to continue to cover these children. However, while some states may not like that maintenance of effort requirement, some states have deliberately chosen the Medicaid-CHIP expansion route because the state is guaranteed continued federal support for covering these children even if CHIP money runs out – isn’t that correct?

7. Can you please provide more details on the purpose of the Maintenance of Effort and how it will help to keep low-income children insured, which I believe is a goal that we all have on both sides of the aisle?
8. In fact, if we are worried about states with M-CHIP programs having to maintain their coverage while states with separate state programs can cut if CHIP funding does not get extended, shouldn’t we just extend CHIP funding to ensure states have adequate fiscal support and that children won’t lose coverage?
9. Please expand on MACPAC’s underlying intentions of their CHIP recommendations. Does MACPAC still recommend that Congress act on these previously recommended program improvements, or does the Commission now recommend that Congress simply fund CHIP for two more years?
10. What are the key elements we should consider to determine whether CHIP is no longer necessary and children can be moved to other forms of equally comprehensive and affordable coverage?
11. Can you discuss issues that still need to be resolved with regard to network adequacy and access to pediatric services in Qualified Health Plans?