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## Revisiting CHIP Buy-In Programs for Children

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## Revisiting CHIP Buy-In Programs for Children

### Abstract

States have a long history of providing families with the option to purchase Medicaid or Children's Health Insurance Program (CHIP) coverage for their children, but these programs have dwindled in recent years. In a February 2020 Health Affairs blog post, we review states' experiences with buy-in programs for children, present updated information on the four remaining CHIP buy-in programs, and compare them to child-only coverage on the individual market. Properly designed, targeted, and marketed, buy-in programs could be a cost-effective way of moving toward universal coverage for children.

### Keywords

CHIP, health insurance, children, Medicaid, public option

### Disciplines

Health Economics | Health Policy | Health Services Administration | Maternal and Child Health | Other Medicine and Health Sciences

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## SUMMARY

# REVISITING CHIP BUY-IN PROGRAMS FOR CHILDREN

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States have a long history of providing families with the option to purchase Medicaid or Children’s Health Insurance Program (CHIP) coverage for their children. As of January 2011, at least [15 states](#) offered a buy-in program to families whose income exceeded their state’s Medicaid or CHIP eligibility limits. However, these programs have dwindled over the last decade.

In a February 2020 [Health Affairs](#) blog post, we review states’ experiences with buy-in programs, present information on the four remaining CHIP buy-in programs, and compare the costs of these plans to child-only coverage on the individual market. This document provides an overview of our findings. For our complete analysis and recommendations, please see our [blog](#).

In the wake of the Affordable Care Act (ACA), some states [decided](#) that buy-in programs were no longer needed. Moderate-income families became eligible for [subsidized plans](#) on the state and federal marketplaces, while previously uninsurable children had new coverage options due to the ACA’s pre-existing condition protections, community rating, and guaranteed issue [provisions](#). In [some states](#), buy-in options were not well known, targeted only a small population of children, or were too expensive for families. This is due, in part, because families with buy-in coverage are typically responsible for the [full cost](#) of their monthly premium, unlike those in traditional [Medicaid and CHIP](#). As a result, some states ended their programs due to [poor take-up](#) and [low enrollment](#).

The ACA’s new benefit requirements also complicated administration of these programs by requiring qualified private plans to provide “[minimum essential coverage](#).” While traditional Medicaid and CHIP plans met these standards, CHIP buy-in plans fell into a regulatory gray zone. Some states chose to [discontinue](#) their buy-in program rather than incur the costs of increasing benefits, while others saw their buy-in premiums [rise dramatically](#) as a consequence of the requirements to offer more robust benefits.

All but four states (Florida, Maine, New York, and Pennsylvania) ended their Medicaid or CHIP buy-in program in the last decade. Five other states offer a [Medicaid buy-in](#) only for children with special health care needs. Although few states have been able to maintain viable and vibrant buy-in programs, there are reasons to revisit them now as the number of uninsured children [increases](#) and families’ costs for private coverage [continue to rise](#). The 2018 CHIP [reauthorization](#) also offers states [new flexibility](#) to pursue these plans.

In general, during plan year 2019, CHIP buy-in premiums were less expensive than unsubsidized, child-only premiums in Florida, Maine, New York, and Pennsylvania. Our [analysis](#) revealed that CHIP buy-in may offer a more affordable alternative for families than child-only marketplace coverage. Properly designed, targeted, and marketed, buy-in programs could be a cost-effective way of moving toward universal coverage for children.

## WHAT WE DID

### 1

Gathered program information from think tank publications, state government websites, press releases, and phone/email communication with state agencies, child advocacy groups, and Congressional staff.

### 2

Compared 2019 premiums for CHIP buy-in plans to premiums for unsubsidized, child-only plans on the Florida, Maine, and Pennsylvania federal marketplaces and on New York’s state marketplace.

**Key findings summarized on page two** ▶

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# CHIP BUY-IN PROGRAMS & COMPARISON TO UNSUBSIDIZED MARKETPLACE PLANS (2019)

State (Year Established)	CHIP Buy-In Program Name	Household Income Eligibility (% of Federal Poverty Level)*	Enrollment	Monthly Premium, per child	Lowest Monthly Premium, Silver/Gold Marketplace Plan <sup>14</sup>
<b>Florida (1992)<sup>1</sup></b>	Healthy Kids full-pay (ages 5-18) <sup>2</sup>	>200% FPL <sup>3</sup>	15,540 <sup>2</sup>	Healthy Kids: \$230 with dental coverage, \$215 without dental coverage <sup>4</sup>	\$274/\$285
	MediKids full-pay (ages 1-4) <sup>2</sup>		8,583 <sup>2</sup>	MediKids: \$157 <sup>3</sup>	
<b>Maine (1997)<sup>5</sup></b>	Health Insurance Purchase Option (HIPO) <sup>5</sup>	18-month program for children transitioning off Cub Care (CHIP) (>208% FPL) or MaineCare (Medicaid) (>157% FPL) due to change in family income <sup>5,6</sup>	16 <sup>7</sup>	\$250 <sup>6</sup>	\$280/\$348
<b>New York (1991)<sup>2</sup></b>	Child Health Plus ("CHP") full premium <sup>8</sup>	>400% FPL <sup>8</sup>	22,600 <sup>9</sup>	Varies by region, from \$144-\$320; \$224 on average <sup>9</sup>	\$197/\$236
<b>Pennsylvania (1992)<sup>10</sup></b>	Full-Cost CHIP <sup>11</sup>	>314% of FPL <sup>11</sup>	10,494 <sup>12</sup>	Varies by plan; \$233 on average <sup>12,13</sup>	\$278/\$309

1. Kenney, Blumberg, Pelletier (Nov. 2008). 2. Florida's Uninsured, Eligible and Enrolled Children (July 2019). 3. Florida KidCare Income Guidelines (April 2019). 4. Healthy Kids Full-Pay Program. 5. 10-144 C.M.R. ch. 335, § 1-2 (2010). 6. MaineCare Eligibility Guide (June 2018). 7. Number enrolled during 2019 plan year. Communication with ME Department of Health and Human Services (Aug. 2019). 8. NY State of Health 2019 Open Enrollment Report (May 2019). 9. Communication with NY State of Health (Aug. 2019). 10. Pennsylvania H.B. 20 No.1992-1993. 11. PA CHIP Eligibility and Benefits Handbook (April 2017). 12. Communication with PA Department of Human Services (Aug. 2019). 13. PA CHIP Income Guidelines Chart (Feb. 2019). 14. We searched for 2019 plan premiums for Healthcare.gov states (FL, ME, and PA) in Miami Dade County, FL, Cumberland County, ME, and Philadelphia County, PA for a 12-year-old child with a family income over 400 percent of FPL (above the cutoff for subsidy eligibility). We identified statewide, child-only plan premiums on NY's state-based exchange using the RWJF HIX Compare Database. \*Eligibility levels do not include the 5 percent income disregard.