



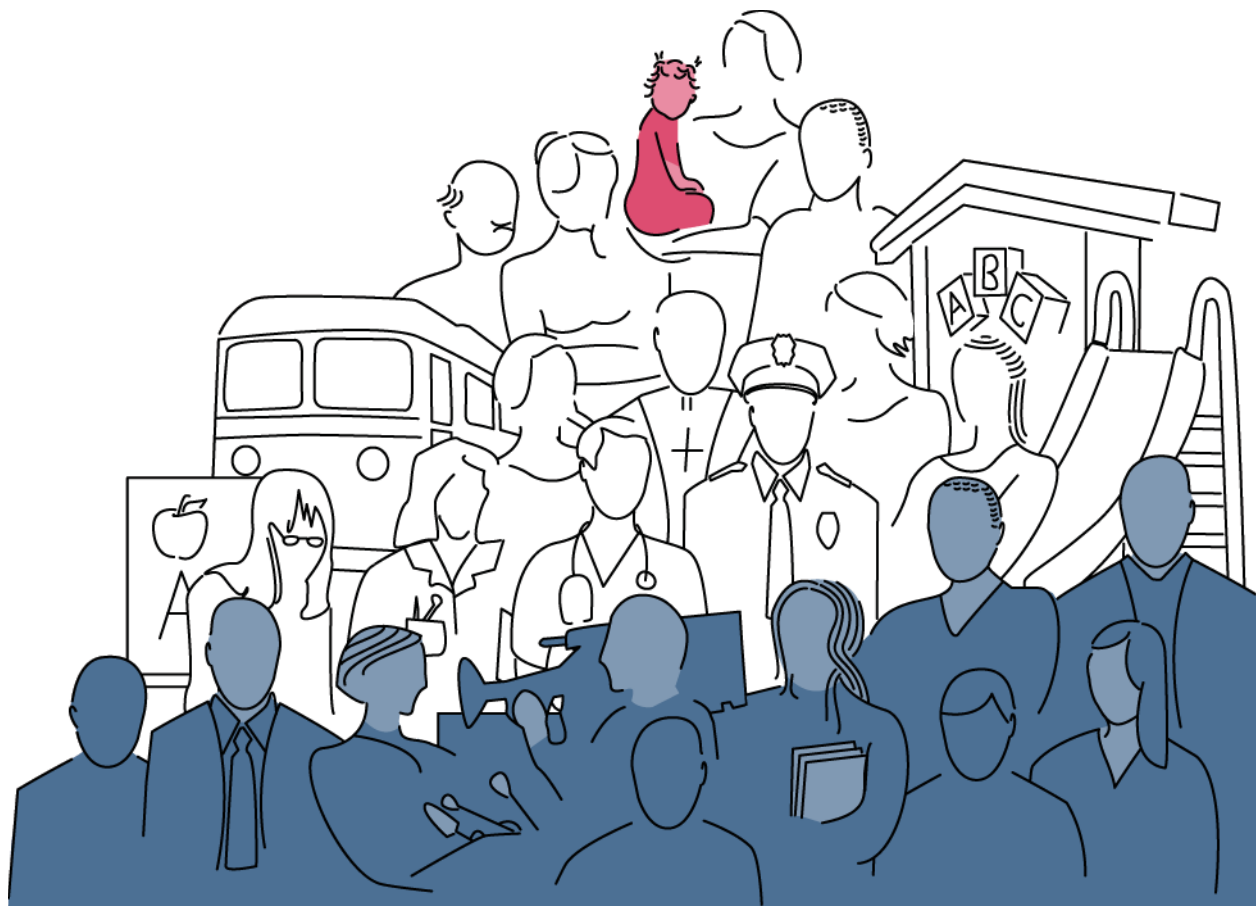
## Center for Urban Child Policy

Advancing Public Policy to Improve the Well-Being of Children

### COVERING KIDS' HEALTH NEEDS

Health care coverage for children is a critical issue in Tennessee. In 2008, there were 158,759 uninsured children in the state (U.S. Census Bureau 2008). TennCare is the largest provider of health insurance to low-income children, covering 646,054 children in our state, 133,864 of whom live in Shelby County (TennCare 2008). CoverKids was introduced in March 2007 to expand insurance coverage to more Tennessee children. 32,069 children were enrolled in CoverKids as of February 2009 with 4,054 children enrolled in Shelby County (Burchfield 2009).

March 22, 2009



## Introduction

This analysis examines health care coverage for children in poor and working class families, and points to several differences between benefits available through TennCare and those provided by CoverKids.

There are two principal differences between CoverKids and TennCare. First, CoverKids is designed to provide health insurance to children in families with incomes that are too high to be eligible for TennCare but are still below 250% of the poverty line. Second, CoverKids offers less comprehensive coverage than TennCare, particularly for early periodic screening, diagnosis and treatment (EPSDT) services.

TennCare covers all services related to diagnosis and treatment as well as screening, as required by federal Medicaid regulations. However, the only medical services provided without co-payments under CoverKids are periodic screenings. Most diagnostic and treatment services are subject to co-payments, with some requiring deductibles and/or they are subject to limited visits per year.

CoverKids also does not guarantee access or track utilization of services by the target population, as was required under TennCare. CoverKids provides insurance coverage that is modeled on private health insurance plans, not on TennCare.

Several other aspects of coverage under CoverKids differ substantially from that provided by TennCare:

**CoverKids is open to families with incomes that prevent them from enrolling their children in TennCare.** Eligibility for TennCare is capped at 185% of the federal poverty level (FPL) for children up to age 1, at 133% FPL for children from 1 to 6 and at 100% FPL for children from 6 to 18.

**CoverKids is not an entitlement program.** The number of children that can be enrolled in the program depends upon the state and federal funding available in a given year. Enrollment has been steadily increasing since the program's inception in March 2007 and with the large recent re-authorization and decreasing family incomes thanks to the Recession, they are likely to continue to climb.

**CoverKids requires a three month 'go bare' period.** This means that most children must be without health insurance for three months prior to enrolling. Exceptions to this requirement are newborns and children who had been enrolled in another state's SCHIP (State Children's Health Insurance) program. Under TennCare, there was no waiting period.

**Under CoverKids, most services have co-payments, regardless of family income.**

There were no co-pays under TennCare.

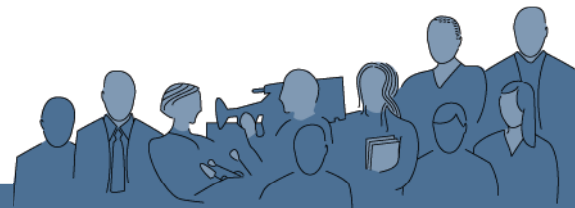
**Under CoverKids, children are not assured access to diagnostic and treatment services.** For example, a child with CoverKids insurance will receive vision screenings. If a problem is discovered during the screening, the plan does not cover the services necessary to diagnose the problem.



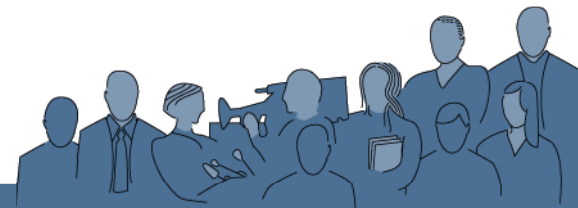
**The General Assembly appropriated \$3,280,500 for the FY 2007-2008 budget year for vision and dental services for CoverKids.**

**Under CoverKids, poor and low-income working families in Tennessee must assume a larger share of the burden of their children’s health care costs.** As a result, CoverKids may result in lower utilization of important health care services for children than is the case under TennCare.

<b>What Is Covered?</b>	<b>TennCare/Medicaid</b> (TennCare, 2007)	<b>CoverKids</b> (CoverTN, 2007)	<b>Federal Employees Blue Cross/Blue Shield Standard (BCBS) Option Benefit Plan</b> (Blue Cross Blue Shield, 2007)
<b>EPSDT Requirements</b>	Open to infants and pregnant women below 185% FPL, children ages 1 to 6 below 133% FPL, children 6 to 18 below 100% FPL and families receiving TANF with income below 120% FPL	Open to children 18 and under with family income < 250% FPL. Families with higher incomes can 'buy-in'. Children must 'go bare' (have no insurance coverage) at least three months prior to enrollment in CoverKids. Those who are eligible for TennCare cannot enroll in CoverKids	This plan is representative of a typical commercial plan. It also is one of the 'benchmark' plans that SCHIP benefit packages must meet or exceed. States have three options in choosing a 'benchmark' plan - besides the plan described below, they can meet or exceed the state employees health plan or the coverage offered by the state's largest HMO.
<b>Prevention</b>			
Health Education/ Anticipatory Guidance	Covered	Not Covered	Not Covered
Preventive Dental Services	Covered	Covered	Not Covered
<b>Screening</b>			
Well-Baby/Well- Child Office Visits	Covered	Covered	Covered



Developmental	Covered	Covered	Covered
Hearing	Covered	Covered	Covered
Vision	Covered	Covered	Covered
Dental	Covered	Covered	Covered
<b>Diagnosis</b>			
Laboratory and Radiology	Covered	Covered	Deductibles and Co-pay required
Vision Exams	Covered	Covered	Not Covered
Hearing Exams	Covered	Not Covered	Not Covered
<b>Treatment</b>			
Medical Care	Covered	Co-pay Required	Deductibles and co-pay required
Mental Health	Covered	Limited Visits; copay required	Limited Visits; deductibles and copay required
Prescription Medicine	Covered	Co-pay Required	Co-pay Required
Eyeglasses (CoverTN, 2009)	Covered	Covered	Not Routinely Covered
Dental Treatment (CoverTN, 2009)	Covered	Covered	Not Routinely Covered
Hearing aids	Covered	Not Covered	Not Covered
Durable Medical Equipment	Covered	Limitations and Exclusions Apply	Limitations and Exclusions Apply
<b>Assuring Availability and Accessibility</b>	Required by Federal Law and Regulation	Not Addressed	Not Addressed
<b>Assuring Effective Utilization</b>	Required by Federal Law and Regulation	Not Addressed	Not Addressed



Tennessee's political leaders are proud of our SCHIP (state children's health insurance program), known as CoverKids. However, some services previously covered for children under TennCare will be limited or absent for those enrolled in CoverKids. In addition, the program raises several critical issues for the families of children eligible for CoverKids:

CoverKids requires some children to go without any health care coverage for three months. Parents will be responsible for all medical bills incurred in this period. (Newborns and children participating in other state SCHIP plans immediately prior to moving to TN are exempt from this requirement.)

Co-payments are required for most services and are based on income. A single mother with one child making \$19,245 will owe a \$100 co-pay for her child's hospitalization in addition to co-pays for physician and therapy services.

Co-payments and deductibles are limited to 5% of a family's income. That's \$2,581 for a family of four at 250% of the poverty level (\$51,620/annually).

**Speech, physical, occupational, and other therapies are limited to a combined total of 52 visits per year.**

**Mental health inpatient days and outpatient visits are severely limited.**

**CoverKids does not ensure availability, accessibility, or effective utilization of health care services** – as is required by the EPSDT program.

**Children with chronic health conditions may be most vulnerable under CoverKids, due to limitations on therapeutic services.**

**CoverKids is budget-limited.** Enrollment could be closed or eligibility rules changed at any time based on state budgetary conditions.



## References

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