



July 2014

Summary of the Children's Health Insurance Program Extension and Improvement Act of 2014

The Children's Health Insurance Program (CHIP) Extension and Improvement Act of 2014 takes a number of steps to stabilize and strengthen the Children's Health Insurance Program, protecting coverage for millions of children and providing states with secure funding and new tools to improve enrollment and retention of families in coverage. The legislation would extend CHIP funding through fiscal year 2019 and update the performance incentive program that rewards states that succeed in exceeding children's enrollment targets. States would have the permanent flexibility to use express lane eligibility to reduce bureaucratic red tape in the enrollment process for children and adults. The bill also enhances pediatric quality measures in Medicaid and CHIP and extends funding for this important activity.

Section 1. Short Title; Amendments to Social Security Act; References; Table of Contents.

Section 2. General Effective Date; Exception for State Legislation; Reliance on Law. Takes effect October 1, 2014, unless otherwise stated.

Title I – Financing

Section 101. 4-Year Extension of CHIP Funding. Provides annual CHIP funding for states for each of fiscal years 2016 through fiscal year 2019. Extends qualifying states option during this time period as well.

Section 102. Performance Incentive Program Improvements. Extends the performance incentive program through 2019 and updates the list of qualifying best practices. In order to qualify for a performance payment, a state must implement at least 5 of 7 enrollment simplification best practices in both Medicaid and CHIP and actual enrollment of the lowest income children must exceed targeted enrollment growth trends. States may choose among the following best practices: 12-month continuous eligibility; express lane eligibility; presumptive eligibility; premium assistance for employer-sponsored plans; ensuring seamless coverage options between CHIP and the Marketplace; retroactive coverage reinstatement upon premium payment; and effective community transitions for vulnerable youth. The legislation provides up to \$500 million per year for each of the five years to reward successful states.

Section 103. Child Enrollment Contingency Fund Adjustment. Extends the Contingency Fund through fiscal year 2019 and modifies the Contingency Fund in order to ensure stability in federal CHIP funding for states. Starting in 2016, any unused performance incentive funding, unallocated national allotment and unused state allotments would be transferred to the Contingency Fund and would be available each year to offset states' federal funding shortfalls, if any.

Title II – Coverage Stability and Reduced Bureaucracy

Section 201. Improving Coverage Stability. Ensures children and pregnant women can expeditiously access care without any required gaps in coverage.

Section 202. Assuring Care Continuity during Transitions among CHIP, Medicaid and Qualified Health Plans. Directs the HHS Secretary to establish continuity of care requirements for children

undergoing a course of treatment who must involuntarily change health coverage. Ensures pregnancy-related assistance can supplement other sources of coverage. Directs the HHS Secretary to ensure other sources of coverage for children meet CHIP standards for benefits and cost-sharing protections.

Section 203. Continuous Eligibility Option for Certain Adults. Provides states additional flexibility to reduce administrative burden and ensure uninterrupted coverage by allowing them the option to provide 12-month continuous eligibility for adults.

Section 204. State Flexibility to Use Administrative Simplification Policies for Enrollment. Makes express lane eligibility a permanent state option for enrolling children in CHIP and Medicaid. Grants states flexibility to continue to use express lane eligibility to enroll other Medicaid populations.

Section 205. Outreach to Targeted Populations. Extends funding through fiscal year 2019 for certain outreach and enrollment initiatives. Ensures contracts with managed care entities address provision of services for individuals who are of limited English proficiency. Ensures adequate funding for collection and evaluation of data addressing health care disparities.

Title III – Benefits and Affordability

Section 301. Strengthened Cost Sharing Protections under CHIP. Ensures the current cap on out-of-pocket health care expenses encompasses all relevant costs. Reduces burdens on families by eliminating the "shoe box" method of accounting for cost sharing, requiring electronic tracking of out-of-pocket expenses.

Section 302. Requiring Coverage of Preventive Health Services under Medicaid and CHIP. To ensure appropriate access to and use of preventive services, the bill ensures all appropriate preventive services are included in the benefit package at no cost.

Section 303. Timely Immunization Coverage. Ensure coverage for newly approved pediatric vaccines within 30 days of approval and allows children covered through CHIP to receive vaccines through pediatric vaccine distribution programs.

Section 304. Payment Parity for Medicaid Primary Care Services. In order to promote access to primary care and payment equity for providers caring for Medicaid patients, the bill extends the Medicaid primary care bonus through fiscal year 2019. Includes non-physician providers including physician assistants and nurse practitioners as well as obstetricians/gynecologists, neurologists and psychiatrists providing such services.

Title IV – Access and Quality

Subtitle A – Pediatric Quality Measures

Section 401. Extending the Pediatric Quality Measures Program. Provides \$50 million per year for the continued implementation of the pediatric quality measures program for fiscal years 2015 through 2019.

Section 402. Enhanced FMAP for Activities Related to Pediatric Quality Measures. Provides enhanced funding for activities related to the collection and reporting of core child health quality measures, such as developing technology infrastructure, collecting data and reporting data. States will receive 95 percent federal medical assistance percentage (FMAP) for eligible expenditures in fiscal years 2015, 2016 and 2017; 90 percent FMAP in fiscal years 2018 and 2019; and the higher of their current FMAP or 75 percent thereafter.

Section 403. Mandatory Reporting of Full Set of Pediatric Quality Measures. Requires all States to uniformly report on each of the core child health quality measures within 5 years of enactment of the date the CHIP Extension and Improvement Act of 2014.

Section 404. Technical Assistance to States for Adopting and Utilizing Pediatric Quality Measures. Requires the HHS Secretary to provide assistance to States with building their technology infrastructures to enable them to collect and report the core set of child health quality measures in CHIP and Medicaid. Allots \$5 million of the overall funding in section 401 for this purpose.

Section 405. Improving the Effectiveness of the Pediatric Quality Measures. Requires the HHS Secretary to enhance the pediatric quality measures program to ensure a sustainable and formal process and mechanism for the updating and maintenance of pediatric quality measures and to award additional topic-focused centers of excellence grants or contracts. Allots \$20 million of the overall funding from section 401 for these purposes.

Section 406. Reports Regarding State-Specific Quality of Care Measures Applied under Medicaid or CHIP. Ensures the HHS Secretary receives information on progress toward quality measure reporting within the core set of child health quality measures, including quality data on each measure within the core set no later than five years after date of enactment.

Section 407. Advisory Panel Regarding Pediatric Quality. Requires the HHS Secretary to make recommendations to Congress on improving the child health quality measures program, including ways to address barriers to State collection and reporting of core set quality measures. Requires the HHS Secretary to convene an expert panel under the existing Measures Application Partnership authority to establish priorities and goals for child health and standards for the timeliness and accuracy of child health quality data, and make related measurement recommendations.

Section 408. Extending and Expanding Demonstration Projects. Extends the HHS Secretary's authority to award grants to States and child health providers to conduct demonstrations to evaluate promising ideas for improving the quality of children's health care. Expands the specific purposes of the demonstrations to include addressing barriers to effective delivery of perinatal care and evaluating the use at the State level of payment reform for purposes of promoting higher quality care for children, such as integrated care models. Provides \$25 million of funding for each fiscal year 2015 through 2019. Extends funding for the childhood obesity demonstration for fiscal years 2015 through 2019.

Subtitle B – Continuing Delivery System Reform

Section 412. Ensuring Care Coordination for Children. Provides \$100 million in funding for the HHS Secretary to implement pediatric accountable care organization demonstration for fiscal years 2015 through 2019.

Section 411. Supporting Evidence-Based Care Coordination in Communities. Extends funding for the Maternal, Infant, and Early Childhood Home Visiting Program through fiscal year 2019.

Subtitle C – Miscellaneous

Section 421. Assuring Coverage Continuity for Former Foster Care Children. Technical correction to ensure former foster youth can retain Medicaid coverage until they reach age 26, even if they reside in a state different than the one in which they resided while in foster care.

Section 422. Standardizing Medicaid Coverage of Therapeutic Foster Care. Ensures Medicaid programs use a standard definition of therapeutic foster care services.

Section 423. Technical Correction. Technical correction to ensure supplemental needs trusts may be established by the beneficiaries themselves in addition to the individual's parent, grandparent or legal guardian.