



Dental and Mental Health: Benefit Improvements in CHIPRA

The Children's Health Insurance Program (CHIP) was created in 1997 to provide affordable health coverage to low-income children in working families who make too much money to be eligible for Medicaid but not enough to afford private coverage. The program currently covers more than 7 million children. In February 2009, after a protracted political fight, Congress enacted, and President Obama signed, legislation that renewed CHIP through the end of 2013 and expanded its scope. This series of issue briefs examines the new provisions that were included in the reauthorization and how they will affect implementation in the coming months.

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) includes provisions that will improve the benefits package for children's health coverage in CHIP. Specifically, the bill requires states to provide dental coverage to all children enrolled in CHIP, and it also gives states a new option to provide dental coverage to certain children who do not qualify for full CHIP coverage. In addition, it requires state CHIP plans to comply with the mental health parity rules in the 2008 Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (H.R. 6983). These new provisions will help improve access to dental care and mental health care for low-income families.

Access to dental care and to appropriate mental health care is critical for children's growth and development, as abundant research and experience have shown.¹ Although these are very different kinds of services, they have often both been given short shrift in public and private health coverage, which has left low-income families with unmet oral and mental health care needs. The CHIPRA provisions will help address long-standing shortcomings in CHIP and in private health coverage.

This brief describes the new benefit package provisions in CHIPRA, explains what states must do to comply with the new law, and discusses the new options that states have to expand access to dental and mental health care for low-income children.

What Changes Does CHIPRA Make to the CHIP Benefits Package?

	Which Benefits Change?	When Did These Changes Go into Effect?*	Is the Benefit Mandatory or Optional?
Dental Care	Requires dental services to be included in the CHIP benefits package	October 1, 2009	Mandatory
	State can create CHIP dental-only plan for privately insured children who have no or limited dental coverage	April 1, 2009	Optional (only states that meet certain criteria are eligible)
Mental Health Care	Must comply with the Wellstone-Domenici Mental Health Parity Act of 2008. This requires states that currently offer mental health and/or substance abuse services to provide the same level of coverage for these services as they do for medical care.	First plan year that starts on or after October 4, 2009	Mandatory

* CMS will not deny federal funding to states that made good faith efforts to move forward with these requirements before CMS issued guidance. State health official letters on dental and mental health benefits are available online at www.cms.hhs.gov/CHIPRA.

Improving Oral Health for Children Enrolled in CHIP

CHIPRA includes two provisions that are designed to improve access to dental care for low-income children:

1. For the first time, states are required to include dental coverage in their CHIP benefit packages.
2. States were also given the option to offer dental-only coverage to CHIP “income-eligible” children who are enrolled in their family’s job-based coverage or other private group health plans that provide limited or no dental coverage.

■ Mandatory Dental Benefits

Under the original CHIP law, states did not have to provide dental benefits in separate, non-Medicaid CHIP programs.² Though all states have opted to provide dental coverage in CHIP, the benefits that are offered vary significantly by state. As a result, children in some states have access to comprehensive dental coverage, while children in other states have dental benefits that are much more limited.

CHIPRA not only requires states to provide dental coverage in all CHIP programs, it also establishes a national standard for that coverage. As of October 1, 2009, states with separate

CHIP programs must provide dental benefits that cover all necessary preventive, restorative, and emergency services.³ Existing CHIP cost-sharing protections, which cap families' total out-of-pocket spending at 5 percent of their income, apply to these oral health care services just as they do to medical services in CHIP. In addition, the new law further protects family budgets by prohibiting families from being charged for preventive and diagnostic dental services.

States can choose to meet this new requirement either by designing their own benefits package that includes all of the services that are required under CHIPRA or by choosing to provide dental coverage that is equivalent to one of the following:

- The dental benefits that are offered under the Federal Employees Health Benefits Plan (FEHBP) that was most often selected by employees seeking dependent coverage in the past two years;
- The dental benefits package that is offered to state employees that was most often selected by employees seeking dependent coverage in the past two years; or
- A dental benefits plan that is offered by the private, commercial insurance company with the largest number of dependent enrollees in the state who are not covered by Medicaid.

Although these benchmarks are similar to the benchmarks that are used for the non-dental portion of the CHIP benefits package, states are able to choose whether to use the same benchmark for their dental benefit that they use for their medical benefits.

■ **Optional Dental Wrap-Around Coverage**

For the first time, CHIPRA gives states with separate CHIP programs the option of offering dental-only coverage to children who are enrolled in their family's job-based or other private plans that do not provide adequate dental benefits. As of April 1, 2009, as long as these children are otherwise eligible for CHIP, states that meet certain criteria (see the list on page 4) can enroll them in a dental-only stand-alone CHIP plan. The benefits package and cost-sharing protections that are offered in the dental-only plan must be equal to, but not better than, what children who are enrolled in regular CHIP receive. In addition, states that require children to be uninsured for a certain period of time before they can receive CHIP coverage must waive this requirement for children who enroll in the dental-only plan. This enables children who are eligible for the dental-only plan to begin receiving coverage immediately.

In order for states to take up the option to provide dental-only coverage, they must first meet the following criteria in their regular CHIP programs:

- Cover children with family incomes up to at least 300 percent of the federal poverty level,⁴
- Place no enrollment limits or caps on the regular CHIP program or dental-only plan, and
- Provide benefits to all children who apply and are eligible for CHIP.

This new provision marks a significant departure from previous CHIP law, which allowed children to enroll in CHIP only if they were uninsured. Since dental coverage is frequently sold separately from other health coverage, many low-income children who are otherwise insured by job-based or other private coverage have no access to dental care. Research has shown that for every child who does not have health coverage, there are 2.6 children without dental coverage.⁵ By including the dental-only coverage provision, CHIPRA acknowledges the tremendous unmet oral health care needs among all children, not just those who are uninsured.

- **Quality of and Access to Oral Health Care**

Research has shown that oral health care is a critical component of a child's overall health and well-being. Yet dental care is cited as the most prevalent unmet health care need among children.⁶ This is especially true for children in low-income families, who experience greater levels of oral disease and have less access to oral health care than children in families with higher incomes. Children in families with incomes that are less than the federal poverty level (\$18,310 for a family of three in 2009) are more than twice as likely to have untreated tooth decay as children in higher-income families.⁷ Nearly three out of five children in families with incomes below twice the poverty level (\$36,620 for a family of three in 2009) have not seen a dentist in the past year.⁸

In addition to expanding dental coverage, CHIPRA contains a number of provisions that are designed to make it easier for children who are enrolled in CHIP and Medicaid to obtain dental services and to improve the quality of dental care they receive. The new law contains four provisions that were specifically designed to improve the quality of dental care for low-income children:

- 1. Simplify how parents find dental providers for their children:**

CHIPRA requires the Department of Health and Human Services (HHS) to list up-to-date information about the oral health services that are covered by each state's CHIP or Medicaid program and the dental providers that participate in the programs on the Insure Kids Now Web site and through the 1-877-KIDS-NOW hotline.

- 2. Educate parents about the importance of oral health care at an early age:**

HHS must develop a plan to disseminate educational materials to low-income parents of newborns about the risks of oral disease, the importance of prevention, and the need to bring their child to the dentist before the child's first birthday.

3. Increase and improve data collection on oral health care:

States and managed care organizations are subject to new reporting requirements about children's oral health services. In addition, federal reports about the quality of children's health care under Medicaid and CHIP must now include information about efforts to improve dental care.

4. Conduct a government study on children's access to oral health care:

Requires the Government Accountability Office (GAO) to conduct a study and make recommendations to Congress about children's overall access to dental care, including access to children's dental services in underserved areas and access to oral health care in Medicaid and CHIP.

Improving Mental Health Services for Children Enrolled in CHIP

CHIPRA also makes improvements in mental health coverage for children in CHIP. Although the law does not require states to cover mental health services in CHIP (as it does for dental services), it does require that states guarantee mental health parity in CHIP. This means that states with separate CHIP programs that currently offer mental health or substance abuse services must now provide the same level of benefits for those services as they do for medical and surgical services.⁹

Mental health services are not a required benefit in CHIP plans, and this provision does not change that. Under previous CHIP law, states that offered mental health services could comply with the CHIP benefit benchmarks requirement by providing only 75 percent of the actuarial value of mental health benefits in one of the benchmark benefit plans.¹⁰ In other words, a CHIP plan was required to offer coverage that was equivalent to at least 75 percent of the dollar value of mental health coverage that was provided in the benchmark plan on which the state modeled its CHIP benefit. For example, if a state's benchmark benefit plan offered \$400 worth of mental health services, then the mental health care that was offered to children in CHIP had to be worth at least 75 percent of \$400, or \$300. In addition, states were allowed to charge different cost-sharing amounts or impose separate spending or utilization caps on mental health services than they did for other health benefits.

■ Mental Health Parity

The 2008 Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (Parity Act) requires all large group health plans that currently offer mental health and/or substance abuse services to provide the same level of coverage for these services as they do for physical health.¹¹ This parity requirement applies to cost-sharing and to treatment limits,¹² neither of which can be more restrictive for mental health services than it is for physical health services. Medicaid plans are already subject to the Parity Act. CHIPRA requires separate CHIP plans to comply with the Parity Act as well. This requirement goes into effect for the first plan year that starts on or after October 4, 2009.

The specific changes a state must make to comply with the Parity Act depend on the type of separate CHIP program they have.¹³ For instance, states with benchmark plans that have limited mental health benefits must increase the level of services and change their cost-sharing requirements to meet the full actuarial equivalent of physical health services. On the other hand, states that do not offer mental health or substance abuse services in their CHIP benefits package are unaffected by the law. Advocates will have to check with their states to determine what changes they must make to their benefits package in order to meet the new requirements.

Action Steps for States

Policy makers and advocates will play a key role in ensuring that the dental and mental health provisions in CHIPRA are implemented effectively in their states.

- **Determine how to best meet the new requirements.** Examine the health benefits your state currently offers in its CHIP program to determine what changes might need to be made to come into compliance with the new requirements in CHIPRA.
- **Consider taking up the dental-only coverage option.** If your state already meets the criteria needed to take up the new dental-only coverage option, and it is financially capable of doing so, you should help your state move forward with this option. If not, encourage your state to continue taking small steps until it has the resources available to take advantage of these options. This includes expanding eligibility for kids up to 300 percent of poverty and removing any caps or waiting lists the state has in place.
- **Be vigilant about cost-shifting.** While the new dental and mental health requirements in CHIPRA will help states improve the overall health of children enrolled in CHIP, expanding these services could place a financial burden on the state. State policy makers may look for budget savings in other areas of Medicaid or CHIP. Work with your state to ensure that critical services for low-income children are improved, not rolled back, because of the new CHIPRA requirements.

Conclusion

CHIPRA recognizes that dental and mental health are integral components of a child's overall health and well-being. The new law presents states with opportunities to strengthen these services for millions of low-income children, many of whom currently face barriers to getting the dental and mental health care they need. Though all states offer some level of dental and mental health benefits in CHIP, many will have to make substantial improvements under the new law. Advocates will play an important role in working with state officials to design dental and mental health benefits that comply with the new law and in ensuring that children enrolled in CHIP have access to these vital services.

Endnotes

¹ National Institute of Dental and Craniofacial Research, *Oral Health in America: A Report of the Surgeon General* (Washington: National Institutes of Health, May 2000), available online at <http://www.surgeongeneral.gov/library/oralhealth/>.

² Providing dental coverage was an option in “separate” CHIP programs, but states that enroll CHIP-eligible children in their Medicaid programs were required (and are still required) to provide dental coverage in accordance with the requirements of the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit. Most states operate stand-alone, non-Medicaid CHIP programs for at least some of the children covered in CHIP.

³ Orthodontia must be included in the benefits package to the extent that it is medically necessary. However, coverage for non-medically necessary care, such as orthodontia for cosmetic reasons, is not required.

⁴ Twelve states and the District of Columbia currently cover children with family incomes up to 300 percent of poverty, as follows: Connecticut, Hawaii, Iowa, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Pennsylvania, Vermont, and Washington.

⁵ National Institute of Dental and Craniofacial Research, op. cit.

⁶ Paul Newacheck, Dana Hughes, Yun-Yi Hung, Sabrina Wong, and Jeffrey Stoddard, *The Unmet Needs of America's Children* (Washington: American Academy of Pediatrics, 2000).

⁷ Kaiser Commission on Medicaid and the Uninsured, *Oral Health Coverage and Care for Low-Income Children: The Role of Medicaid and CHIP* (Washington: Kaiser Family Foundation, April 2009).

⁸ Ibid.

⁹ States that operate CHIP as a Medicaid expansion and hence offer Early and Periodic Screening, Diagnosis and Treatment (EPSDT, which essentially guarantees all medically necessary health services for children) are considered to be in compliance with the mental health parity requirement.

¹⁰ The actuarial value is the current monetary value of a benefit plan as determined by a professional, independent actuary.

¹¹ Group health plans with fewer than 50 employees are exempt from the mental health parity requirement.

¹² Cost-sharing includes copayments, deductibles, co-insurance, and other out-of-pocket costs. Treatment limits include such things as caps on the number of visits, frequency of treatment, days of coverage, or other limits on the scope and duration of services.

¹³ The CHIP statute grants states with separate CHIP programs three options for designing a CHIP benefits package: 1) Offer a benchmark benefits package that is tied to one of the three plans specified by CHIP law, 2) offer the actuarial equivalent of a benchmark plan (this option requires states to cover only 75 percent of the actuarial value of mental health benefits in the benchmark plan), or 3) provide a plan that is designed by the state and approved by the Secretary of HHS. The mental health services that are offered in CHIP vary among states depending on the type of benefits package offered.

Acknowledgments

This brief was written by

Laura Parisi,
Health Policy Analyst, Families USA
and
Rebecca Bruno,
Health Policy Analyst, Families USA

Assistance was provided by the following Families USA staff:

Rachel Klein, Deputy Director of Health Policy
Jennifer Sullivan, Senior Health Policy Analyst
Peggy Denker, Director of Publications
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1201 New York Avenue NW, Suite 1100 ■ Washington, DC 20005 ■ Phone: 202-628-3030
E-mail: info@familiesusa.org ■ www.familiesusa.org