# The Children's Health Insurance Program Lessons for Health Reform

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THE ARTICLES IN this special *Academic Pediatrics'* supplement present a thoughtful analysis of the Children's Health Insurance Program (CHIP) contribution to the advancement of child health policy in the United States. CHIP has played a significant role in reducing the proportion of uninsured children in the United States, not only through the coverage subsidies it provides to millions of children, but also because of the heightened policy focus it has brought to the question of how to structure insurance for children and make coverage accessible.

Together with Medicaid, CHIP has had an enormous effect on children's health insurance coverage; by 2012, the proportion of children without health insurance had declined to less than 7% nationally, as public financing expanded to offset the significant erosion in private insurance coverage among children. Between 2000 and 2013, the proportion of children with private coverage declined from 71% to 60%,[1] a trend explained by long-term economic, demographic, labor, and health care cost trends; the growth of public insurance represents a policy response to these trends, not their underlying cause. Indeed, research belies the notion that CHIP and Medicaid somehow "crowd out" private health insurance; as McMorrow et al demonstrate,[2] lower-income working families have turned to CHIP not because they prefer it over employer-sponsored coverage but because affordable employer coverage is unavailable.

The articles in this supplement point to important health policy lessons going forward, not only for the future of CHIP but for health reform more generally. First, as discussed by Hill et al,[3] CHIP serves as a powerful reminder that it is possible to transform seemingly abstract federal legislation into enduring social welfare gains. Along with Medicaid, CHIP has made a difference to millions of children and families.

Second, CHIP's implementation reminds us that even the most successful legislation cannot resolve all issues in one grand sweep. CHIP is a testament to what it takes to transform an initial policy achievement into a workable, effective program and the years of implementation efforts that are needed to make major legislative advances work. These efforts began with CHIP's original enactment, and they have been followed by regulatory interventions across several presidential administrations coupled with demonstrated efforts aimed at improving the original program structure. The 2009 CHIP reauthorization was yet another step in improving the performance of insurance for children as part of a long-term effort to make health reform work, and implementation of these reforms proceeds.

Third, the articles in this supplement underscore that even the most committed implementation efforts encounter challenges and that the process of implementation is never complete. The articles describe the barriers that remain to achievement of full enrollment of all eligible children (estimated at more than two-thirds of the remaining uninsured children) and what might overcome them.[4–6] The research also suggests the limitations imposed by a health care financing environment that relies on multiple sources of financing juxtaposed one against another, thereby creates instability and breaks in coverage.[7] Still other articles describe the lessons from implementation for access to appropriate primary and specialized health care.[8–11]

In enacting the Affordable Care Act (ACA), Congress laid the groundwork for importing the essential lessons of CHIP into the broader health insurance market. Contained in the ACA was an expectation on the part of lawmakers that after 2016 CHIP's major contours effectively would be subsumed into a more universal framework that combined a reformed insurance market with a system of subsidies designed to make health care affordable. In keeping with this vision, CHIP would effectively transition from a free-standing grant-based model to one entitling eligible children and their families to affordable coverage through health plans designed to respond effectively to children's health needs. Out of "an abundance of caution,"[12] however, lawmakers left the door open for CHIP's continued funding beyond 2015.

As of winter 2015, it is clear that this vision for transferring CHIP's lessons into a near-universal insurance scheme has a considerable way to go, and for this reason, continuing CHIP as a distinct program remains essential, at least in the near term. The politics of the ACA present one hurdle, best evidenced by 56 separate repeal votes in the US House of Representatives. The politics of reform are also captured

in *King v Burwell,* with a Supreme Court decision expected in June, which will determine whether premium subsidies will be available to millions of residents in the 34 states that rely on the federal Marketplace.

But the ACA, as currently implemented, raises deeper structural issues for child health policy. The ACA restructures multiple existing laws with the aim of creating near-universal coverage for working-age Americans and their families. But its pediatric provisions remain a work in progress, because several key problems have arisen in implementation: the denial of premium tax subsidies for children whose parents have affordable self-only employer coverage (the so-called "family glitch" problem); premium subsidies too low to make coverage truly affordable; inadequate cost-sharing assistance; unaffordable separate dental benefits; and an overall benefit design that leaves important gaps and omissions.

It is necessary that CHIP continue while these serious shortcomings are addressed. But it is also necessary to transfer CHIP's lessons to a broader health reform platform. CHIP was the prototype on which the ACA was built, demonstrating that it is indeed possible to create a bridge, through the use of subsidized health plans, between Medicaid for the poorest and most medically vulnerable in society and the private health insurance market. The task that lies ahead is to complete the job and to incorporate CHIP into a near-universal entitlement to affordable coverage that works for children and their families. Until this transition happens, we will need CHIP. But we must not lose sight of the true long-term goal: to bring a pediatric sensibility to a reformed insurance market—not through a separate small grant program carrying a "child" label, but by transferring the lessons of CHIP into the foundation of national health reform itself.

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