



## MEDICAID AND THE CHILDREN'S BASIC HEALTH PLAN

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Medicaid and the Children's Basic Health Plan (also known as the Child Health Plan Plus or CHP+) are Colorado's health care programs for individuals in families with limited incomes. Both programs are administered and funded jointly by the state and the federal government. This issue brief provides an overview of Medicaid and CHP+ eligibility requirements, enrollment, and services.

### Medicaid

**Overview.** The Medicaid program provides comprehensive health care services to a variety of populations, including children, parents, low-income adults without children, elderly individuals, and individuals with disabilities. The federal government sets specific regulations for the program with regard to eligibility, enrollment, and services. Within those guidelines, states have a limited amount of flexibility to customize their programs.

States are provided federal matching funds to pay for the program. The Federal Medical Assistance Percentage (FMAP) for each state is determined by comparing the average per capita income level in the state with that of the nation as a whole. Colorado's FMAP is generally 50 percent, which is the lowest match rate a state can receive.

**Eligibility and enrollment.** In order to qualify for the Medicaid program, individuals must meet specific income requirements *and* be categorically eligible for the program. To be categorically eligible for Medicaid, an individual must be a member of a group,

or category, to which Medicaid eligibility has been extended under federal and state law. Children under the age of 19 and pregnant women are examples of Medicaid eligibility categories.

Federal law requires states to cover certain mandatory populations in Medicaid programs up to specified income levels. States have the option of extending coverage to additional populations or to mandatory populations with higher incomes within certain guidelines. Table 1 shows the basic eligibility categories and income eligibility levels of Colorado's Medicaid program. The income eligibility level is expressed as a percentage of the federal poverty level (FPL).

**Table 1**  
**Colorado Medicaid Eligibility Categories and Income Eligibility Levels**

Population	Income Level	Mandatory or Optional*
Pregnant women	185%	Mandatory to certain income levels
Children up to age 19	133%	Mandatory to certain income levels
Disabled individuals	75%	Mandatory
Elderly individuals	Varies	Mandatory

**Table 1 (Cont.)  
Colorado Medicaid Eligibility Categories  
and Income Eligibility Levels**

<b>Population</b>	<b>Income Level</b>	<b>Mandatory or Optional*</b>
Elderly and disabled individuals in need of long-term care services	225%	Optional
Working individuals with disabilities	450%	Optional
Individuals in need of treatment for breast and cervical cancer	250%	Optional
Parents of children enrolled in Medicaid or CHP+	100%	Optional for most parents
Foster care children to age 21	No limit	Up to age 18 mandatory; up to age 21 optional
Adults without children**	10%	Optional

\*Note: Even though coverage for certain populations is considered "optional" under federal Medicaid law, the federal Affordable Care Act prohibits states from reducing coverage for individuals covered in state Medicaid and CHP+ programs as of March 23, 2010. This "maintenance of effort" requirement expires on the date the state has been determined to have an operational health insurance exchange or for children under 19 years of age, in 2019.

\*\*State law provides that the income eligibility level for this group is 100% of the FPL; however, eligibility is currently limited due to a lack of funding.

Approximately 687,500 individuals in Colorado are expected to be enrolled in Medicaid in FY 2012-13. Children account for approximately 53 percent of enrollees. In 2011, Medicaid enrollees comprised approximately 12 percent of the state's population.

**Services.** Federal Medicaid regulations require that states offer certain services to Medicaid enrollees. Mandatory services include:

- hospital and physician care;
- laboratory and x-ray services;

- home health services;
- nursing facility services;
- early and periodic screening, diagnosis, and treatment services for children; and
- family planning services.

States have the option to provide additional services. Some of the more significant optional services offered in Colorado's Medicaid program include:

- prescription drugs;
- home- and community-based services;
- optometrist services;
- prosthetic devices;
- inpatient psychiatric services for children and elderly individuals;
- speech, physical, and occupational therapy;
- hospice care;
- alcohol and drug abuse treatment for pregnant women; and
- vaccination for cervical cancer.

### **Children's Basic Health Plan**

The CHP+ provides health care coverage to low-income children and pregnant women who do not qualify for Medicaid. The program, like Medicaid, is jointly funded by the state and the federal government. The federal government provides 65 percent of the funding for the program, and the state contributes the remainder.

**Eligibility and enrollment.** The income eligibility limit for both pregnant women and children enrolled in CHP+ is 250 percent of the FPL. In FY 2012-13, the CHP+ is expected to serve 71,500 children and 1,960 pregnant women.

**Services.** The CHP+ program is similar to a commercial insurance plan. Families enrolled in the CHP+ pay annual enrollment fees and co-payments for services, although these fees are generally lower than most commercial insurance products. The CHP+ covers many of the same services as commercial insurance plans, including hospital and physician care, x-rays and laboratory services, and prescription drugs. The program also covers dental services for children.