

**TESTIMONY OF SHARON L. CARTE, EXECUTIVE DIRECTOR OF WVCHIP, BEFORE THE UNITED STATES SENATE FINANCE SUBCOMMITTEE ON NOVEMBER 16, 2006**

Senator Hatch, Chairman, Senator Rockefeller, Ranking Member, Honorable Members of the Subcommittee:

Good afternoon, I am Sharon L. Carte, Executive Director of the West Virginia Children's Health Insurance Agency.

Thank you for the privilege of sharing with you today West Virginia's experience with the State Children's Health Insurance Program.

**ELIGIBILITY**

The West Virginia Children's Health Insurance Program (WVCHIP) is a separate stand-alone program now serving nearly 40,000 children from birth through age 18 each year. Currently, children in households up to 200% of federal poverty level (FPL) are eligible, although West Virginia is modifying its State Plan to cover children in households up to 220% FPL through premium participation effective January 2007.

**BENEFITS**

WVCHIP benefits were developed using West Virginia's Public Employees Insurance plan as its benchmark and it has a comprehensive plan of coverage for doctor visits and checkups, vision and dental checkups, immunizations, hospital stays, mental health services, and prescription drugs. Benefits are administered and claims paid through two major third party contracts: one for medical and dental, and one for pharmacy benefits.

**STATE LEGISLATIVE ENACTMENT AND PHASED PROGRAM**

The West Virginia Legislature enacted state statute to create WVCHIP in April 1998. This legislation also created an advisory board made of citizen members, legislators, and state agency directors that meet at least quarterly. As a program with phased growth, WVCHIP spent its first year and a half as a Medicaid expansion program before amending its State Plan in late 2000 to become a separate stand alone program – a change strongly endorsed by the West Virginia Legislature. To reach its current eligibility income level, West Virginia has amended its State Plan three times between 1998 and 2000 (***See Exhibit A: Health Coverage of West Virginia Children By WVCHIP and WV Medicaid, June 30, 2006***).

**ENROLLMENT CHANGES**

After the more dramatic growth increase that ended in 2002 when the Program had expanded to 200% FPL from 150% in late 2000, enrollment has had continued steady growth from an average enrollment of 20,701 to 24,693 – a nearly 20% growth (***See Exhibit B: WVCHIP's Unduplicated and Active Enrollment, Fiscal Years 2000 to 2006***).

**FISCAL CHANGES AND FISCAL MANAGEMENT**

Over the course of the past eight years, expenditures growth has come from a level of \$11.8 million in total expenditures in FY2000 to \$41.6 million in 2006, an increase of 253%. During this same period, the annualized cost per child has increased from approximately \$924 to \$1,605 between fiscal years 2000 and 2006, an increase of 26%.

Along with cost sharing, WVCHIP has a lifetime coverage limit of \$1 million and in 2002 the State Plan was changed to include an annual coverage limit of \$200,000 per child. Like most commercial

**TESTIMONY OF SHARON L. CARTE, EXECUTIVE DIRECTOR OF WVCHIP, BEFORE THE UNITED STATES SENATE FINANCE SUBCOMMITTEE ON NOVEMBER 16, 2006**

plans, we constantly review utilization with a third party administrator in order to manage escalating trends. We believe we have provided prudent management of state and federal taxpayer funds in order to serve the greatest number of West Virginia's children with a health plan of strong value.

**OUTREACH CHANGES**

In the first two years, very little public/private expenditures went for program outreach. After expansion to 200% FPL, WVCHIP launched into full outreach mode in a campaign of highly diverse media approaches and local community activity with various community partners.

This tremendous outreach effort was made possible by a truly great public/private effort with much of the private effort being coordinated with CHIP funding by the WV Healthy Kids and Families Coalition. The Coalition had actively advocated for WVCHIP's startup and it received support from local foundations such as the Sister of Saint Joseph, the Claude Worthington Benedum Foundation, and of course, significant contribution on the national level from Robert Wood Johnson's Covering Kids Project. Another key partner was support from WV Medicaid for outreach through the WV Primary Care Association, which includes many Federally Qualified Health Centers as well as non-profit clinics. After the busiest outreach years of 2003 to 2005, local activity has decreased significantly as the public/private partnership achieved its goal of "getting the word out" and boosting enrollment. Outreach efforts now come through the standard operations funded through the program such as CHIP's Call Center when distributing applications on request or informing applicants or assisting them about how to apply online through CHIP's website [www.wvchip.org](http://www.wvchip.org) or direct electronic application through [www.wvinroads.org](http://www.wvinroads.org). In addition, we now promote visibility to the general public through efforts aimed at health prevention or health promotion such as health messages promoting the importance of prevention checkups in early childhood (**See Exhibit C: Most Important School Supply? – A Healthy Pair of Eyes**). Last year we distributed messages such as these through "WV Child Care Quarterly" which is distributed to child care providers throughout the state.

**MEASURING QUALITY**

Once enrollment and access are assured, the question becomes what have we done for the health of the children served, or what must we do better. To answer this, WVCHIP has established measures that tell us about access to primary care, access to preventive dental and vision services, and well child checkups. In addition, we have measures for two of the chronic conditions children or youth are more likely to experience in our state – proper use of asthma medications and diabetes care (**See Exhibit D: WVCHIP Quality Indicators by HEDIS Measures, 2005**).

In addition to health quality measures such as those already mentioned, WVCHIP administers a state designed customer satisfaction survey every other year. In 2005, survey response rate was at 50.7%. WVCHIP customers indicated that they were "very satisfied" (73.7%) or "satisfied" with the program overall, with less than 1% reporting dissatisfaction. More importantly, 51.9% felt the quality of care received improved after enrolling in the program (more details are available in WVCHIP's 2005 Annual Report at [www.wvchip.org](http://www.wvchip.org)).

**CHALLENGES IN WVCHIP'S FUTURE**

To assure our continued success, WVCHIP's foremost challenge is to have stabilized funding. Many things were "unknowns" at the enactment of this program – how many children were really uninsured; could we find and enroll them, once enrolled will they have access and can we make a difference in their health status? We have come a long way to answer most if not all of these questions.

**TESTIMONY OF SHARON L. CARTE, EXECUTIVE DIRECTOR OF WVCHIP, BEFORE THE UNITED STATES SENATE FINANCE SUBCOMMITTEE ON NOVEMBER 16, 2006**

Fortunately, West Virginia is not one of the states with insufficient federal funding this year, but in two or three more, we will also join their ranks if the funding mechanism stays as it is presently. Last year, we were one of the states eligible to receive redistributed funds, but we did not, because they went to other states that had exceeded their allocations. Clearly, a rebasing of the federal formula needs to occur to sustain the gains achieved so far.

In this past year's regular Legislative session in West Virginia, the Legislature passed a statute allowing WVCHIP to expand to 300% FPL, but after considerable discussion with our advisory board, we concluded that with the uncertainty of future federal funding we would cautiously expand only to the 220% FPL level.

Another recent change that deserves mention is the recently released regulations on Payment Error Rate Measurement and the administrative burden they pose, especially for small stand alone programs such as WVCHIP, but we are still awaiting response from the Centers for Medicare and Medicaid on this issue.

I hope this has been information of some use to the honorable members, and it is my expectation that we will go forward together to assure all our children have the health care coverage they deserve.

Thank you for your time and again for the privilege of sharing this information with you today.