CDHP Issue Brief

State Children's Health Insurance Program (SCHIP): A Decade of Optional Dental Coverage for Kids

When Congress passed SCHIP in 1997 it was the first substantial expansion of publicly supported health coverage for children since the enactment of Medicaid in 1965. SCHIP provides significant state flexibility, but leaves dental care as an optional benefit, unlike the mandatory benefit that remains in Medicaid's Early and Periodic Screening Diagnostic and Treatment (EPSDT) benefits. Because Congress only authorized SCHIP for 10 years, it requires reauthorization in 2007. Congressional leaders will be looking to the successes and failures of SCHIP to identify modifications. In an effort to prepare dental advocates for this process, this brief provides information on SCHIP dental performance to date.

SCHIP is a federal-state partnership that targets children who fall between Medicaid and private coverage. States can structure their SCHIP plans in one of three ways: 1) expand Medicaid, 2) create a separate health coverage program, or 3) a combination of an expansion and separate program. Eleven states have expanded Medicaid, 18 created separate SCHIP programs and 20 states have a combination. By December 2004 (the most recent year for which data are available), SCHIP has enrolled nearly four million uninsured children of working families. Enrollment has remained reasonably stable since its peak in June 2003 at 3,951,000 children.[i]

Although Optional, All States have Provided Some Dental Benefit

SCHIP plans that expanded Medicaid are required to extend full EPSDT dental benefits. Separate SCHIP plans, however, are not held to the EPSDT standard, but provide services consistent with one of four benchmark insurance packages, none of which includes dental care. All states eventually included dental coverage of some kind, with Colorado (in 2001) and Delaware (in 2003) as the last states to add SCHIP dental benefits. Texas eliminated its SCHIP dental benefits only to later reinstate it due to public pressure.

Dental benefits are not consistent from state-to-state. Basic dental coverage such as exams or cleanings may be limited from between one per year to a maximum of four per year. In the absence of a standard dental benefit, states such as Washington and Vermont use their Medicaid EPSDT as the baseline for SCHIP dental benefits. Montana limits services by providing $350 annually per child toward unspecified dental services, outside of the health benefit package. Other states limit specific services or treatments. For example, Mississippi limits coverage for stainless steel crowns, prosthodontics and orthodontics to treatment of specific conditions.

Few States Report on Dental Performance

National and state research on SCHIP dental benefits has identified wide variation in dental utilization. In 2001, The Urban Institute concluded that improvements to oral health outcomes would remain difficult to determine because few states track oral health outcomes or the impact or dental benefits.[ii]

Lack of consistent state evaluations remains a concern. National studies have yet to fully answer questions regarding the impact of providing dental benefits for SCHIP populations. A 2004 Mathematica report on their study of eight states revealed improvement in dental access and utilization.[iii] The study shows a reduction in unmet dental needs of SCHIP enrolled children through greater access and improved utilization. A recent national study in Pediatrics, however, found no improvements in dental care for income-eligible SCHIP children between 1997 and 2003.[iv]

State specific SCHIP studies show wide variations in findings. **California**[v] found that dental insurance was a predictor of dental visits and that SCHIP improved access to dental care. However, they also concluded that cost sharing, waiting periods, and other allowable SCHIP provisions make it less likely for SCHIP children to have dental coverage for an entire year compared to their Medicaid enrollees. **North Carolina**[vi] cited parental reports that unmet dental needs were significantly reduced following enrollment in SCHIP, likely due to SCHIP's increase in reimbursement rates that were made nearly comparable to private insurance. **Iowa**[vii] found that although SCHIP improved dental access for children of all ages, barriers to care shifted from the

cost of services to finding a dentist that accepted SCHIP.

Opportunities for Improvement
The anticipated reauthorization of SCHIP provides an opportunity to reflect on achievements and desires for dental coverage in the future. States have used the flexibility in SCHIP to provide many working families access to dental care that otherwise would have been unavailable. But there is room for improvement. Addressing some key questions during reauthorization may make a significant difference in how dental care is provided for SCHIP enrolled children.

Current Problems with SCHIP Dental Benefits

- **Dental is Optional:** Dental care as an optional benefit in SCHIP creates a vulnerable, unstable and inconsistent system of care. Preventive dental care has been proven to be cost effective and is in great demand among children in families eligible for SCHIP.[viii] SCHIP reauthorization provides the opportunity to make dental care a mandatory benefit thereby providing all SCHIP enrolled children access to consistent and comprehensive dental care.
- **No Reporting Requirements:** The lack of dental performance measures within SCHIP prevents a thorough assessment of dental care and of states' performance. National dental performance measures would provide Congress, regulators, and states the information needed to adequately evaluate their SCHIP dental plans.
- **Coverage Varies by State:** Creating geographically different dental coverage for children does not address the underlying disparities in dental care. Since children's needs vary by locale, it is reasonable to standardize a benefit across the country that would set a minimum standard of dental care for children in working poor families.

Key Questions for the Future of SCHIP Dental Benefits

- Why was dental care omitted from the original SCHIP legislation? If states currently support the inclusion of dental care what are the barriers to stabilizing the benefit for all SCHIP children?
- What are the opportunities to further define SCHIP dental performance measures that would enable states to track changes in access to dental care?
- Is there the political will to standardize a baseline dental benefit for children in SCHIP (non-Medicaid) plans?

These and other questions should be included in the policy debate over the future of dental coverage for children of working poor families. Dental advocates have the opportunity in coming months to raise these questions and provide the expertise to find innovative solutions.

For more information on current SCHIP coverage of children's dental care, go to www.cdhp.org.

November 2006 Meg Booth, MPH and Burton Edelstein, DDS, MPH

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