



## CRS Report for Congress

# SCHIP Coverage for Pregnant Women and Unborn Children

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### Summary

The State Children's Health Insurance Program (SCHIP) does not include pregnancy status among its eligibility criteria and does not cover individuals over age 18. Under SCHIP, states can cover pregnant women aged 19 and older in one of three ways: (1) states may apply for waivers of program rules to extend coverage to adults such as pregnant women (§1115 waiver authority); (2) states may provide health benefits coverage, including prenatal care and delivery services, to unborn children through an SCHIP state plan amendment (SPA) as permitted through regulation;<sup>1</sup> or (3) states may offer a "family coverage option" that allows them to provide coverage under a group health plan that may include maternity care to adult females in eligible families.<sup>2</sup> As of October 2007, 17 states offered pregnancy-related services using SCHIP funds. Of those, 6 states used the §1115 waiver authority and 12 states extended coverage through unborn child SPAs (Rhode Island extends coverage to pregnant women through both authorities). This report summarizes the variation in pregnancy coverage and the financing streams associated with such coverage among these states. This report will be updated as state activity warrants.

### Background

States that choose to cover pregnant women through the §1115 waiver authority must submit a proposal to the Centers for Medicare and Medicaid Services (CMS) for approval.

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<sup>1</sup> *Federal Register*, vol. 67, no. 191, Wednesday, October 2, 2002, Rules and Regulations.

<sup>2</sup> Section 2105(c)(3) of the Social Security Act allows states to cover entire families including parents if the purchase of family coverage is cost-effective when compared with the cost of covering only the targeted low-income children in the families involved, and would not substitute for other health insurance coverage. E-mail correspondence (from June 7, 2007) with Kathleen Farrell, the CMS Director of the SCHIP program, indicates that New Jersey and Massachusetts are the only states with operational family coverage variance programs.

States with approved §1115 demonstration programs define the available pregnancy-related services in their waiver terms and conditions agreements.

States that opt to extend SCHIP coverage to unborn children must submit an SPA to CMS for approval specifying the pregnancy-related services. Under the SCHIP SPA option, covered services must be related to the pregnancy or to conditions that could complicate the pregnancy, including those for diagnosis or treatment of illnesses or medical conditions that might threaten the health of the unborn child. Care after delivery for the mother, such as postpartum services, is generally *not* covered as part of the title XXI SPA option. Although CMS requires the care to be directed at the unborn child, the SCHIP unborn child SPA option effectively enables states to provide prenatal care to pregnant women including those with incomes at or above the Medicaid income eligibility thresholds and for individuals who do not qualify for Medicaid (or SCHIP) for other reasons, such as immigration status<sup>3</sup> or incarceration.<sup>4</sup> Finally, for the family coverage option, pregnancy-related benefits are those offered by participating private health plans.

## Summary of State Variation in Pregnancy Coverage Under SCHIP

**Table 1** summarizes the variation in pregnancy coverage among states with §1115 waivers and those using the SCHIP unborn child SPA option. As of October 2007, 17 states offered pregnancy-related services using SCHIP funds. Of those, 12 states extended coverage through unborn child SCHIP SPAs and 6 states used the §1115 waiver authority (Rhode Island extends coverage to pregnant women through both authorities). The highest upper-income eligibility thresholds for pregnant women and/or unborn children under SCHIP was 300% FPL in California. Seven states established upper-income limits at 200% FPL. Four states exceeded 200% FPL, and six states set maximum income levels below 200% FPL.

Of the 12 states that offer pregnancy-related services to unborn children under the SCHIP SPAs, all but Tennessee extended coverage to the unborn children of undocumented aliens who otherwise would not have access to federally funded pregnancy-related services, except through emergency Medicaid.<sup>5</sup> Two states used SCHIP SPAs to extend coverage to the unborn children of incarcerated women who are otherwise ineligible for SCHIP coverage.

Covered services under the §1115 waiver programs and the SCHIP SPAs generally consisted of comprehensive pregnancy-related services including prenatal care, labor and delivery services, and access to some form of coverage during the postpartum period. However, the length of coverage (e.g., prenatal period through labor and delivery, or prenatal period through 60 days postpartum period) and financing streams for the care

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<sup>3</sup> Section 1903(v) of the Social Security Act.

<sup>4</sup> Section 2110(b)(2)(A) of the Social Security Act.

<sup>5</sup> Illegal immigrants are barred from Medicaid and SCHIP eligibility; legal immigrants who have not been granted lawful permanent residency status are ineligible for Medicaid or SCHIP for five years. Such women who otherwise qualify but for their documentation status have access to emergency care under Medicaid, which includes labor and delivery costs (Section 1903(v) of the Social Security Act).

associated with each of these pregnancy phases varied across states. For example, some states offered coverage from conception through 60 days postpartum care (financed with SCHIP funds), whereas others segmented the coverage to include prenatal care (financed with SCHIP funds), labor and delivery (financed with emergency Medicaid funds), and postpartum care (financed with state-only funds). In these states, program specialists pointed out that the pregnancy-related care is seamless to the mother despite the administrative complexities required of the state to submit claims under multiple funding streams. Three states indicated that the coverage offered to pregnant women and/or unborn children was comprehensive and not limited to pregnancy-related services. An additional four states specified that the available care included pregnancy-related care and associated health services including, for example, medically necessary dental or mental health benefits as long as the care was necessary to promote the health of the unborn child.

Postpartum care differs among states that chose to extend pregnancy coverage under the §1115 waiver authority as compared with those that offered coverage to unborn children under the SCHIP unborn child SPAs. There were 15 states that offered 60 days of postpartum care to at least some of their eligible populations, including each of the 6 states that offered pregnancy coverage under the §1115 waiver authority. Among the SCHIP SPA states, five states financed 60 days of postpartum care with state-only funds. Four SCHIP SPA states extended 60 days of postpartum care using SCHIP funds. CMS permitted this financing arrangement despite the fact that the unborn child regulation clearly states that federal SCHIP-financed care ends with the birth of the child. The reason CMS permits this is because the state has a global rate for their pregnancy services that includes the cost of prenatal care, labor and delivery, and 60 days of postpartum care. One SCHIP SPA state provided SCHIP-financed postpartum care through the end of the month that the child was delivered because those services have already been paid for under the monthly managed care capitation payment. Two SCHIP SPA states did not offer any form of care for the mother after the birth of the child except in the case of an emergency during which the mother would have access to emergency Medicaid services. Finally, two states (one §1115 waiver state and one SCHIP SPA state) provided access to extended family planning services and supplies as a part of their postnatal care benefit.

**Table1. SCHIP Pregnancy Coverage for States with Section 1115 Waivers and SCHIP Unborn Child State Plan Amendments (as of October 2007)**

State (Award Date)	Authority	Upper- Income Threshold (% FPL)	Benefit Coverage			Mother's Coverage After Delivery	Financing Stream
			Covered Services	Length of Coverage	Financing Stream		
Arkansas (6/30/04)	Unborn Child SPA	200% FPL undoc. aliens	Separate SCHIP program (SSP) includes prenatal care, and delivery services	Conception to birth	SCHIP	No coverage except under emergency Medicaid	Emergency Medicaid
Colorado (9/27/02)	SCHIP §1115 HIFA	200% FPL	Prenatal care, labor and delivery, and 60 days postpartum care (excludes dental care)	Date of application through 60 days postpartum	SCHIP	60 days postpartum care	SCHIP
California (3/28/06)	Unborn Child SPA	0%-200% undoc. aliens	Prenatal care, labor and delivery, and 60 days postpartum care	Conception through 60 days postpartum	SCHIP	60 days postpartum care	SCHIP (treated as a bundled service)
		300% uninsured	AIM program offers comprehensive care not just pregnancy related care	Conception through 60 days postpartum	SCHIP		
Illinois (6/11/03)	Unborn Child SPA	0%-200% undoc. aliens and incarcerated women	SSP Medicaid look alike benefits includes prenatal care and associated health services (excludes HCBS waiver services and abortion services)	Confirmed pregnancy and through start of labor	SCHIP	60 days postpartum care	State-only funds
			Labor and delivery services	Labor through delivery	Emergency Medicaid		
Idaho (6/21/05)	SCHIP §1115 HIFA	up to 185% workers in small businesses	Premium assistance for private insurance (must cover postpartum care)	Confirmed pregnancy through 60 days postpartum	SCHIP pays for premiums only	Defined in participating private coverage plans	SCHIP pays for premiums only
Louisiana (4/5/07)	Unborn Child SPA	0%-200% undoc. aliens	SSP to provide prenatal care, care related to the pregnancy, and delivery services	Confirmed pregnancy through delivery	SCHIP	No coverage except emergency services under Medicaid	Medicaid

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State (Award Date)	Authority	Upper- Income Threshold (% FPL)	Benefit Coverage			Mother's Coverage After Delivery	Financing Stream
			Covered Services	Length of Coverage	Financing Stream		
Massachusetts (9/15/03)	Unborn Child SPA	200% undoc. aliens	SSP prenatal care, associated health services, labor and delivery	Conception through birth	SCHIP	60 days postpartum care	State funded program and free care pool
Michigan (4/17/03)	Unborn Child SPA	185% FPL undoc. aliens	SSP includes prenatal care, pregnancy-related care, and non-pregnancy related care (up to birth of child) labor and delivery, and 60 days postpartum care	Conception through 60 days postpartum	SCHIP	Labor and delivery and 60 days postpartum care	SCHIP (treated as a bundled service)
						Other health coverage (e.g., broken arms)	Emergency Medicaid
Minnesota (8/6/03)	Unborn Child SPA	275% undoc. aliens	SSP Medicaid look-a-like program covers pregnancy-related services, prenatal care, labor and delivery, and limited postpartum care	Conception through end of the month in which the child was born	SCHIP	60 days postpartum care	State-funded
Nevada (11/2/06)	SCHIP §1115 HIFA	133%-185%	Medicaid pregnancy -related benefits including prenatal care, related health care, labor and delivery, and 60 days postpartum care	Conception through 60 days postpartum	SCHIP	60 days postpartum care	SCHIP
New Jersey (1/18/01)	Medicaid and SCHIP §1115 HIFA	0%-200%	Presumptive eligibility program includes prenatal care, labor, and delivery	Temporary eligibility until determined eligible for Medicaid	Medicaid	Emergency Medicaid for labor and delivery services only	Emergency Medicaid
		0%-185%	New Jersey Medicaid package includes prenatal care, labor and delivery, and 60 days of full Medicaid coverage	Conception through 60 days postpartum	Medicaid	60 days full comprehensive Medicaid	Medicaid
		186%-200%		Conception through 60 days postpartum	SCHIP		SCHIP
Rhode Island (4/17/03)	Unborn Child SPA	185%-250% undoc. aliens	Medicaid benefit package includes prenatal care, labor and delivery	Conception through labor and delivery	SCHIP	Extended family planning family services and supplies for 24 months	SCHIP
						60 days postpartum care	State-only funds

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State (Award Date)	Authority	Upper- Income Threshold (% FPL)	Benefit Coverage			Mother's Coverage After Delivery	Financing Stream
			Covered Services	Length of Coverage	Financing Stream		
Rhode Island (1/18/01)	SCHIP § 1115	185%-250%	Medicaid benefit package (i.e., prenatal care, labor and delivery, and 60 days postpartum care)	Conception through 60 days postpartum	SCHIP	60 days postpartum care and extended family planning family services and supplies for 24 months	SCHIP
Virginia (6/21/05)	SCHIP § 1115 HIFA	133%-185% (approved up to 200%)	Full Medicaid benefits (not pregnancy only benefits)	Conception through labor and delivery	SCHIP	Coverage for the remainder of the birth month plus 60 days postpartum coverage.	SCHIP
Tennessee (10/3/07)	Unborn Child State Plan Option	185%-250%	SSP Pregnancy-related services including prenatal care, labor and delivery, and 60 days postpartum care	Conception through 60 days post partum	SCHIP	Coverage through the last day of the month that 60 day post partum period occurs	SCHIP (treated as a bundled service)
Texas (6/2/06)	Unborn Child SPA	200% undoc. aliens	SSP to provide prenatal care, labor and delivery, and 2 postpartum visits			Care ends at the end of the month during which the child is born. There are no public benefits after that except if the mother qualifies for emergency Medicaid services.	SCHIP
Washington (9/22/03)	Unborn Child SPA	185% undoc. aliens	SSP, Benefits includes prenatal care and associated health services	Conception and through start of labor and delivery	SCHIP	60 days postpartum care	state-only funds
			Labor and delivery	Labor and delivery	Emergency Medicaid		
Wisconsin (5/7/07)	Unborn Child SPA	185% undoc. aliens, and uninsured and/or incarcerated women	SSP Badger Care prenatal program provides for prenatal coverage including cost of labor and delivery and 60 days postpartum care	Conception through 60 days postpartum	SCHIP	60 days postpartum care allowed for all but undocumented aliens	SCHIP (treated as a bundled service)
						Undocumented aliens emergency Medicaid only	Emergency Medicaid

**Sources:** Section 1115 waiver terms and conditions documents, SCHIP unborn child state plan amendments, and conversations with state officials.

**Notes:** SPA means State Plan Amendment, HIFA means Section 1115 Health Insurance Flexibility and Accountability Waiver, AIM stands for Access for Infants and Mothers program, HCBS stands for Medicaid Section 1915(c) Home and Community-Based Waiver, SSP means SCHIP Separate State Program, and a Medicaid look-a-like program is a Separate SCHIP Program with a benefit package that looks like Medicaid, but may exclude, for example, certain services.