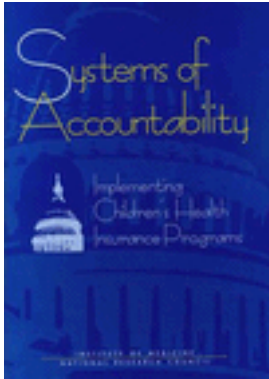


Free Executive Summary



Systems of Accountability: Implementing Children's Health Insurance Programs

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Summary

APPROACH TO THE STUDY

Children's health insurance became a subject of national debate early in 1997 when President Clinton and members of Congress began to develop a variety of competing proposals to expand coverage for children. After several months of active discussion and negotiation, Congress enacted the State Children's Health Insurance Program (SCHIP) as part of the Balanced Budget Act of 1997 (P.L. 105-33).

This report describes the responsibilities of Congress, the U.S. Department of Health and Human Services (DHHS), and the states in implementing and evaluating SCHIP. The report presents a framework and recommendations for designing systems of accountability for SCHIP as states take a variety of steps to reduce the number of uninsured children.

In general terms, *accountability* is the process by which an individual or organization accepts responsibility for an activity and provides information regarding progress on meeting requirements and expectations. **The committee defines *systems of accountability* as those processes and procedures that provide information for analysis and decision-making and that provide a basis for designing, implementing, evaluating, and improving programs.**

SCHIP makes \$24 billion available to states over 5 years, including \$20.3 billion for new initiatives based on private insurance coverage and \$3.6 billion for Medicaid improvements. States may use SCHIP funds to broaden their Medicaid programs, to start up or expand state-sponsored or private insurance programs, or to support a combination of programs. The potential for flexibility in SCHIP designs appeals to most states because it gives them the opportunity to provide coverage and services in ways that reflect the state's unique circumstances and characteristics, such as the availability of insurance products and providers, the geographic distribution of uninsured children, and the potential sources of financing, among others.

This flexibility also raises some technical and practical issues. The most fundamental question is this: With so much variation possible, how will we know whether SCHIP is effective? Unless there is consistent reporting of reliable data within and across states, it will be difficult to evaluate the program's impact. At this very early stage in the program, it is vitally important to design and develop systems of accountability and to anticipate needs

for information and communication based on experiences with other national and state programs, especially those that involve low-income working families.

ACCOUNTABILITY FOR SCHIP

Having enacted SCHIP and appropriated \$24 billion over 5 years, Congress will oversee DHHS's administration of the program. The legislation requires states to submit written plans to DHHS describing their programs as well as their strategic objectives, performance goals, and performance measures. With these legislative requirements, Congress established a basic template for SCHIP accountability.

DHHS has created an interdepartmental steering committee to implement SCHIP. State plans are being submitted to the Health Care Financing Administration (HCFA) and are being reviewed by HCFA's national and regional offices in collaboration with the Health Resources and Services Administration, the Agency for Health Care Policy and Research, the Office of the Assistant Secretary for Planning and Evaluation, and other participants on the steering committee. To qualify for their first-year SCHIP allotments, states must have federal approval for their plans by September 30, 1999.

For several months, DHHS has been actively providing information and technical assistance to states as they develop and implement their SCHIP plans. With only half of the state plans submitted as of the beginning of April 1998, it is too early to tell how DHHS will handle the variety of performance measures proposed by the states or whether any uniform performance measures will be recommended or required.

RECOMMENDATIONS

The recommendations in this report are based on an extensive review of evidence on the relationship between insurance coverage and access to care, as presented in the committee's companion report, *America's Children: Health Insurance and Access to Care* (IOM, 1998). The recommendations are also based on the following assumptions:

- **New Opportunities.** SCHIP offers new opportunities for innovation and flexibility in insurance expansion, for improving existing programs, for increasing children's access to health care, and for developing child-specific performance measures.
- **Accountability for Public Funding.** The \$24 billion in federal funds allocated for SCHIP and Medicaid improvements represents a significant national commitment to insurance expansion for children. This commitment should be monitored to ensure that the legislation's goals are fulfilled.
- **Need for Sustained Efforts.** Although SCHIP will help to reduce the number of uninsured children, millions of children will remain uninsured or underinsured even assuming its full implementation. To guide future insurance expansions, careful evaluation of the multitude of state approaches used under SCHIP will be essential.

CONGRESSIONAL ACCOUNTABILITY FOR SCHIP

1. **Congress should take immediate action to ensure that funding is adequate to evaluate SCHIP's impact.**
 - a. **The leadership of key committees should periodically ensure that DHHS has adequate resources to implement its responsibilities under SCHIP.**
 - b. **Key committees should designate staff members who would keep in contact on an informal basis with DHHS staff to ensure that SCHIP accountability systems have adequate resources and support.**

FEDERAL GOVERNMENT ACCOUNTABILITY FOR SCHIP

Performance Monitoring for SCHIP.

2. **DHHS must establish a performance monitoring system for SCHIP in collaboration with agencies from other levels of government and with private organizations.**
 - a. **DHHS should designate an interdepartmental task force to coordinate, implement, and oversee a performance monitoring system for SCHIP.**
 - b. **A well-chosen set of basic performance measures is needed to provide comparable information on all SCHIP programs.**
 - c. **The interdepartmental task force should coordinate its activities with representatives of the technical and analytical infrastructure being developed at state and federal levels to evaluate welfare reform and other recent health insurance legislation.**
 - d. **A new, rapid turnaround survey is needed to track key indicators of SCHIP performance at the state-level.**

Children's Health Indicators

3. **DHHS must develop systems that improve the availability of national and state-level information on children's insurance coverage, access, utilization, satisfaction, health status, and outcomes, particularly for children with special health care needs.**
 - a. **DHHS should increase the sample size of the National Health Interview Survey to permit state-level estimates and evaluations. Supplements on child health and well-being should be conducted every 3 years.**
 - b. **DHHS should continue to support and encourage efforts to develop and improve indicators of children's health status and outcomes, including indicators for children with special health care needs.**

STATE ACCOUNTABILITY FOR SCHIP

Designing Accountability Systems

4. States should begin immediately to design and implement systems to produce meaningful information on SCHIP's effects.

Public Information

5. Information on SCHIP should be made available by states to the public and should be meaningful in evaluating the program's performance.

Data Collection and Performance Reporting

6. As much as possible, states should delegate the collection and synthesis of SCHIP information to contracted health plans or provider groups, with requirements for independent auditing of these data.

Performance Incentives and Rewards

7. States should set conditions for participation in SCHIP, experiment with a variety of incentives to reward health plans for their performance, and develop the technical and analytical capacity to evaluate the impact of incentives on health plan performance.

CONCLUSION

SCHIP is historic, innovative, and rapidly evolving. It offers an unprecedented opportunity to move from the traditional monitoring and compliance models of health care, which focus on financial performance, to a quality improvement model that fulfills the intent of the SCHIP legislation: to provide insurance coverage for uninsured children, to improve their access to high-quality health care services, and, ultimately, to improve their health.

Systems of Accountability

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