



# Children's Health in 2015: CHIP Funding Reauthorization

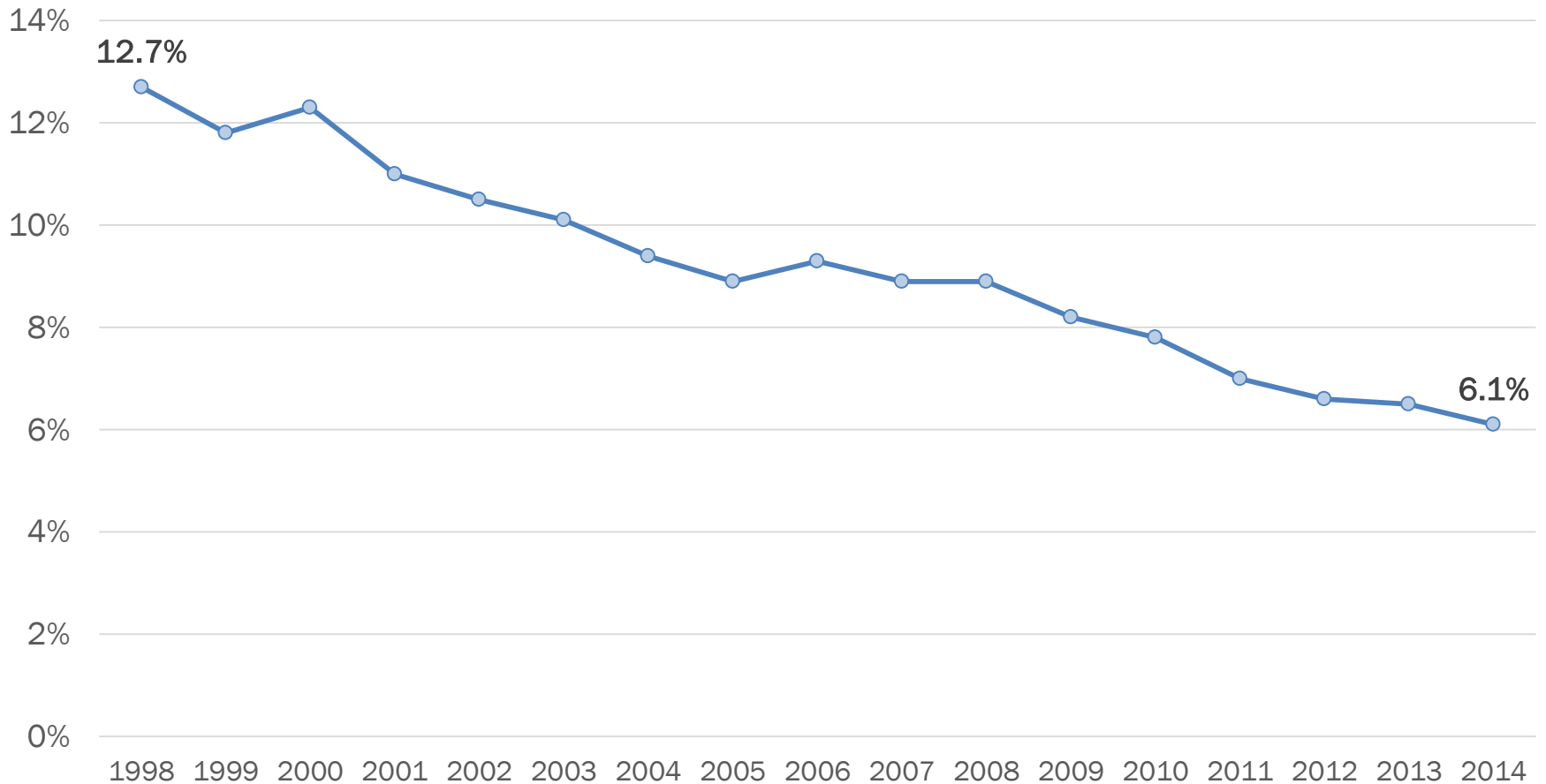
Edwin Park

Center on Budget and  
Policy Priorities

March 4, 2015



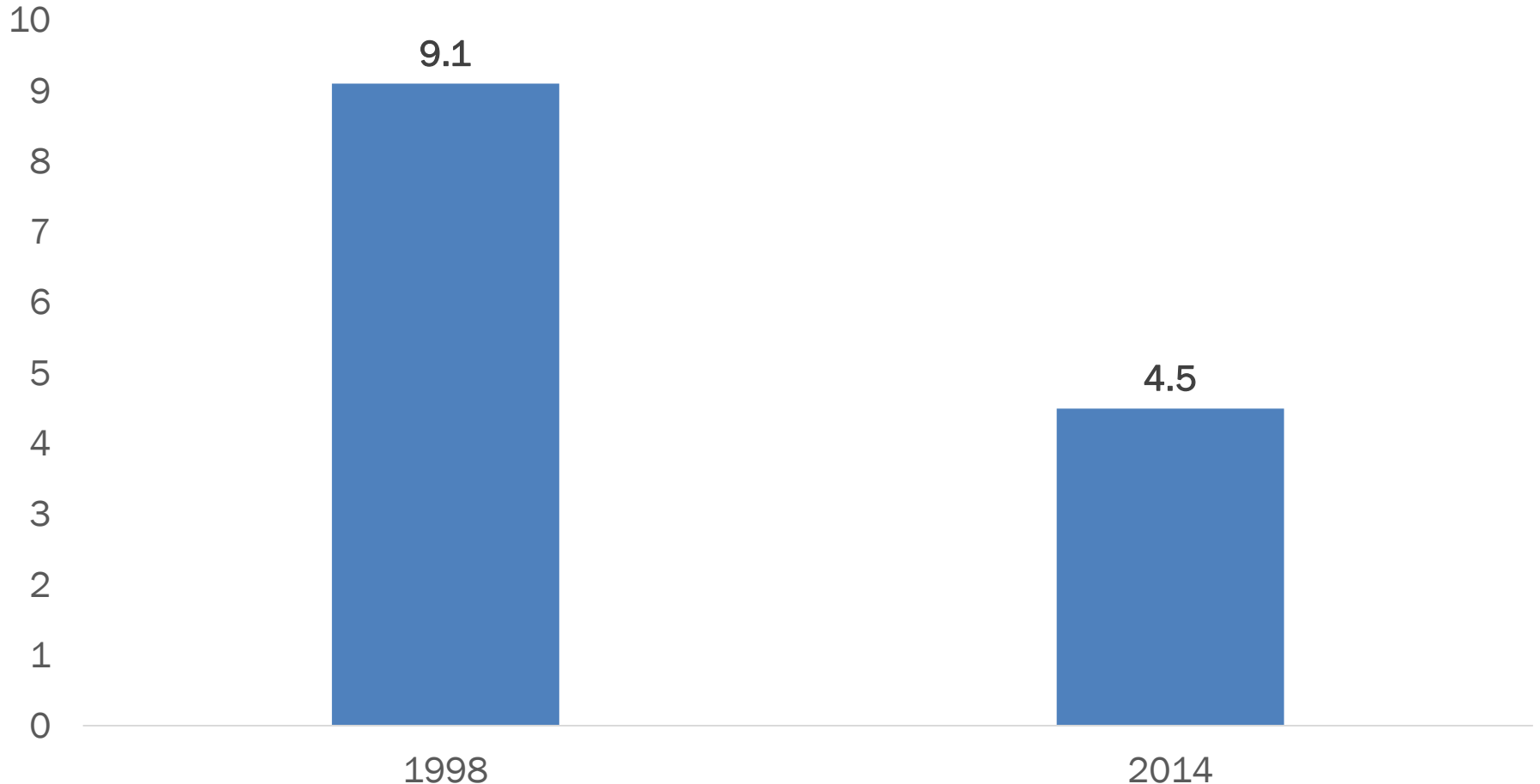
# Children's Uninsured Rate Reduced by More Than Half Since 1998 Largely Due to Medicaid/CHIP





# Nearly 5 Million Fewer Uninsured Children Than in 1998

*Uninsured children, in millions*



# No New CHIP Funding for States After 2015

- No new annual allotments for states starting in federal fiscal year 2016.
- States have rollover funds from prior years but states will likely begin exhausting their federal CHIP funds by the end of this calendar year.
- States exhausting funds can cap or cut their separate state CHIP programs. States with CHIP-funded Medicaid programs must maintain but at regular Medicaid matching rate (higher cost).
- Other CHIP policies also need to be extended or renewed.

# Legislative Landscape in 2015

- Obama 2016 budget proposed 4-year CHIP extension.
- 4-year extension bills also introduced by Senate (S. 522) and House (H.R. 919) Democrats. Largely continue existing program and policies.
- Republican “discussion draft” bill announced by Senator Hatch and Rep. Upton last week. Significant proposed changes to CHIP.
- NGA letter supporting early CHIP extension.
- Medicare physician payment “fix” expires at end of March. Possible legislative vehicle.
- Looming budget fight including a budget reconciliation bill.

# Key CHIP Policy Issues So Far

- Length of funding extension, funding levels.
- Treatment of expiring provisions.
- Changes to CHIP program rules:
  - Returning to pre-CHIPRA program.
  - “Going back to original intent.”
- How to offset its cost.
  - Concerns about Medicaid being used to pay for a CHIP funding extension.

# Hatch-Upton Discussion Draft

- Silent on duration, funding levels.
- Repeal of maintenance-of-eligibility requirement.
- Cap eligibility at 300% FPL. Limiting matching rate for children between 250% and 300% FPL.
- Elimination of 23% CHIP matching rate increase.
- Restore 12-mo. waiting period option for states, allow “stairstep” kids to go to separate state programs.
- Let Express Lane Eligibility option expire, fail to renew performance bonuses, repeal enhanced matching rate for translation/interpretation services.
- Let contingency fund expire.

# Ensuring Successful CHIP Funding Extension

- Creating sense of urgency.
- Educating federal policymakers about program's strong bipartisan support for enactment, initial implementation, subsequent legislation and current state programs.
- Engaging governors; state budgets being finalized.
- Avoiding big partisan battles over the budget and health reform and rejecting controversial policy changes or offsets that could delay or derail a CHIP funding extension.