



## CHIP WORKS FOR AMERICA'S CHILDREN

**T**he Children's Health Insurance Program (CHIP) provides health coverage to more than eight million low-income children in families whose income is too high to qualify for Medicaid, but who don't earn enough to purchase private health insurance on their own. Since CHIP's inception in 1997, the number of uninsured children has been cut in half – even as uninsured rates for adults increased steadily. No government program has been more successful than CHIP in improving health coverage for children.

**Along with Medicaid, CHIP ensures that millions of children across the nation are able to access necessary medical services.** Like Medicaid, CHIP is jointly funded through a federal-state partnership. States design and operate their CHIP programs, which can be run as an expansion of a state's Medicaid program, as a stand-alone program, or as a combination of the two. In some states, children in CHIP receive Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT) services, Medicaid's comprehensive and preventive child health benefit. It requires states to provide eligible children with regular screening, vision, dental, and hearing assessments and any necessary follow-up services. It also requires states to provide medically-necessary health care services. In states that operate stand-alone CHIP programs, children receive a range of benefits such as: health screenings (including vision and hearing exams); preventive health care, such as immunizations; inpatient and outpatient hospital care; well-child check-ups and sick-child care; lab services; prescription medications.

CHIP allows children access to pediatric-specific provider networks, and goes above and beyond many private insurance plans in addressing the unique needs of low-income children. CHIP provides cost-sharing protections to ensure that no families face out-of-pocket costs that exceed 5 percent of their family income.

**In FY 2011, CHIP and Medicaid provided coverage for more than 43.5 million children in the U.S.** With more than half of all children relying on Medicaid or CHIP last year, these programs are essential to our nation's overall health and well-being. CHIP and Medicaid ensure critical access to the services that allow our children – the future American workforce – to grow up healthy and strong. Children with health insurance are more likely than their uninsured counterparts to have a usual source of health care, to have seen a doctor in the previous year, and to have their health care needs met. In poll after poll, the American public has signaled its strong support for children's coverage provided by CHIP and Medicaid. CHIP also enjoys a high rate of satisfaction among beneficiaries.

**Despite CHIP's success, there are still 7 million children who are uninsured.** While CHIP and Medicaid have significantly reduced the numbers of uninsured children, approximately two-thirds of children eligible for CHIP and Medicaid (approximately 4.3 million) remain unenrolled due to bureaucratic barriers and administrative red tape. Since 2009, CHIPRA's Express Lane simplifications have improved state enrollment processes, moving an additional 1.2 million eligible kids into coverage. The Affordable Care Act's "No Wrong Door" approach to enrollment will help further reduce the numbers of uninsured children by 40 percent due to its single-point-of-entry enrollment process that will pick up millions of children who are already eligible for public coverage.



## KEY IMPROVEMENTS TO CHIP IN 2009

On February 4, 2009, President Obama signed into law the bipartisan Children's Health Insurance Program Reauthorization Act (CHIPRA) (P.L. 111-3). In reauthorizing CHIP, Congress maintained the program's essential benefits and cost-sharing protections and built on the decade of data and experience with the program. CHIPRA added important new provisions to improve access to care and health coverage for children in low-income families. The CHIPRA victories for children included:

**Coverage for Low-Income Pregnant Women.** CHIPRA allowed states to provide coverage to pregnant women through a state plan amendment, with no waiver approval required.

**Enrollment Simplifications.** CHIPRA included new Express Lane Eligibility provisions to allow states additional options to retain and enroll eligible children on Medicaid and CHIP. For example, the law allows states to use relevant data from other public programs, like foods stamps, school lunch and WIC, to determine a child's eligibility for Medicaid or CHIP.

**Outreach and Enrollment Grants.** CHIPRA established a new grant program to finance outreach and enrollment efforts that increase participation of eligible children in both Medicaid and CHIP, including: funding for a national enrollment campaign; grants to states, local governments, schools, and other non-profit organization; and targeted funding to improve enrollment of Native American children in public coverage.

**Eliminating Waiting Periods for Legal Immigrant Children and Pregnant Women.** CHIPRA eliminated the five-year waiting period for legal immigrant children and pregnant women, allowing states the option to cover these populations in CHIP and Medicaid.

**Dental Benefits.** CHIPRA requires state CHIP plans to cover dental services.

**EPSDT Services in Medicaid.** CHIPRA clarified that EPSDT services must be provided as part of any benchmark benefit package for children covered by Medicaid.

## THE AFFORDABLE CARE ACT'S IMPACT ON CHIP

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (P.L. 111-148) (P.L. 111-152). The key provisions in the ACA related to CHIP included:

**CHIP Extension.** The ACA extended CHIP through September 30, 2019, with full funding provided through 2015.

**Stability Protections for Medicaid and CHIP.** The ACA included a "maintenance of effort" provision which prevents states from reducing eligibility or benefits for children in CHIP or Medicaid through September 30, 2019.

**Increased Federal Support to States.** Beginning in 2016 through 2019, the ACA increases each state's enhanced federal match rate by 23 percentage points, not to exceed a total match rate of 100 percent.

Together CHIP and Medicaid are important examples of programs that have been successful in providing affordable, comprehensive, high quality coverage for low-income children. Our nation must continue building on the progress of both of these programs to help us reach the day when every child in America has access to health coverage and services they need.

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