



# ***The Kid Angle***

*Kid-focused news from First Focus on Children*

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## **Accounting gimmick could cost 7 million children their health care November 2, 2023**

Contact: Michele Kayal, VP Media and Communications,  
[MicheleK@FirstFocus.org](mailto:MicheleK@FirstFocus.org)

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This is going to be a hard sell. But please stick with me:

We need to talk about children's health care. In the year 2029.

Like I said, hard sell.

2029 is the year that an accounting gimmick will likely cost seven million children their health care coverage. Yes, six years is an eternity for lawmakers who are just trying to get to November 17. **But the fact is, now is the time to stop this health care disaster.**

**The Children's Health Insurance Program (CHIP) covers children from families who make too much to qualify for Medicaid but too little to purchase private insurance.** In the two decades since its inception, CHIP has helped reduce the uninsurance rate among children by more than 60%, from nearly 15% in 1997 to 5.4% last year. **CHIP also has the very dangerous distinction of being the only federal health insurance program that is not permanent,** leaving its very existence to the whim of Congress in every single budgeting process.

When CHIP reaches its current expiration date in 2029, lawmakers are likely to decide that this critical component of children's health care shouldn't continue. Not because the program isn't cost-effective (it's actually a bargain), but because the bookkeeping will show an easily misinterpreted funding cliff.

The CHIP funding baseline is critical for extending the program. To calculate the baseline for programs like CHIP in the out-years, the Congressional Budget Office (CBO) uses the final year of spending for the program to project future funding levels. **Due to accounting gimmicks in past CHIP extensions, the out-year baseline in FY 2029 that CBO will use**

to project future costs will be inadequate to fund the true costs of the program going forward.

**To avoid this crisis — and the likely end of the program — Congress must make CHIP funding permanent as soon as possible.**

**Luckily, Congress already has a bill to do that.**

The Children's Health Insurance Program Permanency (CHIPP) Act (H.R. 4771) would make CHIP permanent, giving it the same stability and status of every other federal health insurance program. In addition, the CHIPP Act would ensure children continue to receive pediatric-specific care and would provide states with the resources to reach those who qualify but are not enrolled. It would also offer states greater flexibility in designing and administering their programs. [See our most recent fact sheet on making CHIP permanent.](#)

***Now is the time. Congress must make CHIP permanent.***



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First Focus on Children  
1400 I Street NW  
Suite 450  
Washington, DC 20005  
United States

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