

Issue Brief

Children's Health Insurance Program



What's new?

- CHIP expired on September 30th, giving Congress an extremely limited timeframe to reauthorize the program.
- Actions by the Trump Administration and Congress attempting to repeal and replace the Affordable Care Act (ACA) has led to further uncertainty for families needing assistance in purchasing insurance and delayed reauthorization of CHIP.
- On September 12, 2017 the Chairman of the Senate Finance Committee and the top Democrat on the panel announced that they had reached agreement to extend the program with uninterrupted funding for five additional years.
- The proposed legislation would maintain the ACA's 23% increase in the federal matching rate for CHIP spending to states for 2018 and 2019 and begin to ratchet it down in 2020. The increased matching rate would be reduced to 11.5% in 2020 and be totally eliminated starting in 2021.
- Despite the announcement of an agreement and the drafting of the legislation, no further action has been taken to reauthorize the program.

What's the issue

- The Children's Health Insurance Program (CHIP), signed into law in 1997, is a partnership between the federal government and states to provide children and pregnant mothers from low-income working families' access to affordable health care; these are families with incomes too high for Medicaid but can still not afford private insurance.
- In 2009, President Obama signed the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), which provided states with significant new funding, options, and incentives for covering children through Medicaid and CHIP.
- There are three ways CHIP can be implemented: through expanding Medicaid coverage; creating a separate Child Health Insurance Program; or a combination of both approaches.
- Illinois has worked to ensure all children have access to health care through both expanding Medicaid coverage and creating a separate program for children whose families make too much to qualify for Medicaid but too little to pay for private insurance.
- Under the ACA, CHIP is able to offer more benefits, rights, and protections for kids.

Why does it matter?

- CHIP provides affordable, comprehensive health coverage to nearly 9 million children and 4,200 pregnant women.
- In Illinois, about 131,000 kids receive health care coverage through CHIP. About 88% of the funding for the children's program comes from the federal government — about \$218 million in fiscal year 2017, according to the Illinois Department of Healthcare and Family Services.
- Without CHIP, states will be unable to maintain the current level of access to health care coverage for children in low and middle income families.
- If Congress fails to reauthorize the program, 3.7 million children will lose CHIP. While some of those children would be shifted onto Medicaid or the ACA exchanges, 1.1 million children will be at risk of losing coverage altogether.
- The rates of uninsured children are at a record low today because of the work done through programs such as Medicaid and CHIP.

What is the Presence Health perspective?

- **The health and well-being of children is a priority.** Presence Health supports CHIP and believes it is a necessary program to reach underserved children through preventative care and multitudes of other health services provided by CHIP. Children are among the most vulnerable members of our society, and their well-being through access to health care should be our first priority.
- **Presence Health fundamentally believes that everyone deserves access to health care.** The health and well-being of all individuals is important. Our mission to improve the health and well-being of our communities, especially the poor and vulnerable, relies on individuals having access to care.