NACCHO
National Association of County & City Health Officials
The National Connection for Local Public Health

07-12

STATEMENT OF POLICY

Children's Health Insurance Program

Policy

The National Association of County and City Health Officials (NACCHO) recognizes the importance of the Children's Health Insurance Program (CHIP) in serving low-income children in families with earnings too high to qualify them for Medicaid and too low to cover market-rate health insurance. NACCHO supports policies, interventions and strategies to ensure all children have access to insurance coverage that eliminates financial and social barriers to the timely use of preventative and acute health care services. Specifically, NACCHO supports legislation that:

- Promotes and ensures access to appropriate preventative services, medical, dental, mental health, and long-term health care for low-income children and pregnant women in a manner that will improve their health status and foster positive health outcomes for all.
- Maintains coverage for all classes of individuals who currently qualify for services under the current version of CHIP. This includes, but may not be limited to, children living in families with income up to 300% of the federal poverty level (FPL), including lawfully residing children of immigrants, children of public employees, and pregnant women with income up to 200% of the FPL.

NACCHO opposes any legislation or administrative changes to CHIP that would diminish the capacity of the federal safety net program to:

- Maintain increased federal investment authorized in 2015 that matches CHIP at 23% above the Medicaid match rate.
- Maintain states' flexibility to cover children up to 300% of the FPL with the enhanced federal match.
- Ensure that states have the flexibility to design CHIP programs to meet the unique needs of their counties, municipalities, and communities.

Justification

The Children's Health Insurance Program was created in 1997 to ensure coverage for the rising number of children without health insurance.[1] The goal of the program was to expand health insurance coverage to children whose families were ineligible for Medicaid but unable to afford private health insurance. To date, CHIP and Medicaid have collectively dropped the rate of uninsured children in the United States to an all-time low of 5%.[2] According to a 2015 U.S. Census Bureau report, the percentage of children under the age of 19 who were uninsured was only 5.3% compared to 12.6 of adults between the ages of 19 and 64 without insurance.[3] The higher coverage among children is due partly to the expansion and CHIP eligibility.[3]

Children insured by Medicaid and CHIP have lower rates of unmet need for clinical care (e.g., specialist care, prescription drugs, dental care) than children with no insurance.[4] Medicaid and CHIP play a significant role in the lives of children of color, insuring over 50% of Hispanic and black children, which plays a role in reducing racial and ethnic disparities in accessing health care.[4]

In February 2009, the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 was established.[5] As of 2012, CHIPRA expansions to CHIP services have achieved a 90% coverage rate for low-income children.[5] CHIPRA expanded the original CHIP program, adding in $33 billion in federal funds to cover children until 2019, with the goal of increasing and improving coverage for children in both Medicaid and CHIP.[5]

CHIP is financed jointly by states and the federal government.[6] States have autonomy in choosing how to structure CHIP eligibility, benefits, and enrollment rules. For example, 34 states cover pregnant women by setting their eligibility requirements to 200% of the FPL as of January 2017.[7] According to FY2016 data, Medicaid and CHIP cover 39% of children, and 44% of those covered have special health care needs.[8] Over 35 million children are covered under Medicaid and CHIP as of July 2017 as reported by Medicaid.gov.[9] In 2015, at least 76% of these children resided in families whose income was between 100 and 400% of the FPL.[10]

CHIP ensures access to a comprehensive package of clinical and preventative services for children and pregnant women. Providing insurance coverage can support the local health departments that provide care to these populations. Thirty-eight percent of local health departments offer Early and Periodic Screening, Diagnostic, and Treatment (EPSDT); 28% of local health departments offer oral health services; and 10% of local health departments offer behavioral/mental health services reimbursable by CHIP.[11]

Despite the Medicaid expansion, which gives states the option to receive an enhanced federal match for expanding Medicaid to uninsured groups, CHIP is still necessary to ensure affordable, high-quality insurance coverage for children and families who otherwise would not have coverage. As of 2015, at least 5 million children still remain uninsured, so it is imperative to continue funding for CHIP through 2019 and beyond.[3]

Through the passage of the Affordable Care Act (ACA), Medicaid and CHIP enrollment efforts received a $40 million increase in funding. Additionally, CHIP funding was extended through Oct. 1, 2015, where the CHIP federal matching rate jumped by 23 percentage points, to 93%. However, the FY2018 proposed budget will alter these expansions and decrease CHIP funding for states making the FPL eligibility for state children's coverage 250% instead of 300%.[8]

The new budget proposal could be devastating if the CHIP federal match eligibility decreases to 250% of FPL as 24 states already enroll children above 250% of the FPL and 19 additional states cover children up to 300% of the FPL.[8] The modifications mean that any state with CHIP income eligibility requirements above 250% of the FPL would lose federal matching funds and this would severely compromise their ability to cover millions of children. While federal costs would

decrease, states, counties, cities, and communities would take on the fiscal and health burden of this shift.

References

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Record of Action

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