



# THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)

# WHAT IS CHIP?

- Health care coverage for children in families who earn too much to qualify for Medicaid and do not have private insurance
- Jointly funded by Federal and State Governments
- Administered by States
- States receive Enhanced Federal Medical Assistance Percentage for CHIP
- Currently covers roughly 8 million children

# Legislation

- The State Children's Health Insurance Program of 1997
- The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)
- The Affordable Care Act
  - Funding for CHIP is authorized through 2015
  - Maintenance of Effort through 2019
  - Like Medicaid & Exchange, MAGI rules apply, and CHIP is part of a streamlined and coordinated system

# CHIP Program Types

- All 50 states, DC, and territories have approved CHIP plans
- Three plan options
  - ❖ Medicaid expansion
  - ❖ Separate program
  - ❖ Combination program

# CHIP Medicaid Expansions

- ❖ Medicaid State plan rules apply, including:
  - Cost sharing
  - Benefits (including EPSDT)
  - Delivery system
  - State-wide

# Who can be Covered in a Separate CHIP?

- Targeted Low-Income Children
- Coverage from conception to birth
- Targeted Low-Income Pregnant Women
- If certain criteria are met, children or pregnant women who have access to public employee coverage
- Children eligible for dental only supplemental coverage
- Deemed Newborns
- Children ineligible for Medicaid due to loss of income disregards as a result of conversion to Modified Adjusted Gross Income (MAGI)

# Benefits in Separate CHIPs

## ❖ Options for separate programs

- Benchmark coverage, or benchmark-equivalent coverage
- Secretary-approved coverage
- Existing Comprehensive State-Based Coverage

## ❖ Required Benefits:

- Well-baby and well-child care
- Immunizations
- Emergency services
- Dental services

# Cost-Sharing

- States can choose to impose enrollment fees, premiums, deductibles, coinsurance, and copayments for children and pregnant women limited to 5% of a family's annual income
- Cost sharing is prohibited for preventive services, like well-baby and well-child visits

# Substitution Strategies

- CHIP statute at Social Security Act section 2102(b)(3)(C) requires that states have policies in place to prevent substitution of private coverage with public coverage
- Options for addressing this requirement include:
  - Waiting periods
  - Monitoring of substitution
- July 2013 final rule clarifies that waiting periods are:
  - Optional
  - Limited to a 90 day maximum
  - Subject to certain Federally required exceptions (in addition to state-identified exceptions)
  - CHIP agencies have certain responsibilities related to coordination with the FFM or SBM

# Coordination Requirements Related to Waiting Periods (WPs)

- A child is considered ineligible for CHIP during a WP period and potentially eligible for ATPC/CSRs during the WP
- CHIP agency responsibilities include:
  - Having a process in place to coordinate coverage for children subject to a WP
  - Notifying the FFM/SBM
    - When a child is eligible for an exception to a waiting period
    - Of the date on which the waiting period ends for each child, and becomes eligible for CHIP