

Approaching CHIP Expiration: Considerations for States

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In Brief

The expiration of Children's Health Insurance Program (CHIP) funding on September 30, 2017 raises **four critical issues for states**:

- ✓ The timing of reauthorization, and what the level of allotment and duration of any extension will be
- ✓ Whether the 23 percent increase to federal matching funds will continue
- ✓ Whether maintenance of effort (MOE) requirements will continue unchanged
- ✓ Operational considerations for states, including notices to members and budget planning

Questions? Contact Heather Howard at heatherh@princeton.edu. Content provided by Manatt Health.

CHIP's Role in Coverage

Medicaid and CHIP cover more than **one in three children** nationwide. **CHIP eligibility levels vary across states¹**, with 23 states setting eligibility below 250 percent of the Federal Poverty Level (FPL) and 27 states and D.C. setting eligibility above

250 percent. **Children enrolled in CHIP are diverse** geographically, culturally and ethnically. CHIP also plays a critical role in providing coverage for children with **significant health conditions**. CHIP, with Medicaid, has reduced the children's uninsurance rate to 4.8 percent.

Looking Ahead: Critical Considerations for States

> Timing of Reauthorization and the Expiration of Federal Funding

Three states and D.C. are projected to deplete their current federal CHIP funds by December 2017, and all states are expected to run out of funds by September 2018, [see Addendum A](#).

> Potential Loss of the Bump

States stand to lose nearly \$3.5 billion in federal CHIP funds if Congress does not extend the enhanced 23 point bump. To view projected state by state lost federal CHIP funding [see Addendum B](#).

> Reauthorization and Implications for ACA MOE Requirement

The Affordable Care Act (ACA) requires states to maintain 2010 Medicaid and CHIP eligibility levels for children through FY 2019. If federal funding is exhausted, only states with Medicaid-expansion CHIP must continue to meet the ACA MOE requirement, which requires states to maintain 2010 Medicaid and CHIP eligibility levels for children through FY 2019. Separate CHIP states² are permitted to reduce CHIP eligibility levels or terminate CHIP entirely if Congress fails to reauthorize CHIP, impacting approximately 3.7 million children who are enrolled in a separate CHIP program. Medicaid and CHIP Payment and Access Commission (MACPAC) estimates that 1.1 million of these children would become uninsured if states terminate their separate CHIP programs. The remaining 2.6 million would enroll either in subsidized Marketplace coverage³ or a parent's employer-sponsored insurance.

Operational Implications of CHIP Reauthorization Timing



In Conclusion

The CHIP program has played a critical role in reducing the rate of childhood uninsurance. With CHIP funding set to expire on September 30, 2017, states have much at stake in the debate over the timing and specifics of any CHIP extension.

Related Resources

- › [Timing of Reauthorization and the Expiration of Federal Funding](#)
 - › [Potential Loss of the Bump](#)
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Endnotes

1. [Please see the appendix for more detail and eligibility thresholds by state.](#)
 2. Separate CHIP states use CHIP funds to establish CHIP programs that are governed by rules that differ from Medicaid.
 3. Estimates do not account for potential changes to the availability of Marketplace subsidies under the Congressional repeal and replace proposals.
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