

# Extend Funding for the Children's Health Insurance Program (CHIP)



The Children's Health Insurance Program (CHIP) is a bipartisan, joint federal-state health insurance program that covers children and pregnant women who earn too much to be eligible for Medicaid, but cannot afford private insurance. Federal funding for the CHIP block grant will end in September 2017 if Congress does not act. The March of Dimes urges Congress to fully fund CHIP for at least five years to ensure affordable, high-quality coverage for pregnant women and children.

## Background

- CHIP was passed in 1997 and reauthorized in 2015.
- CHIP provides vital health services for over 8 million children and 370,000 pregnant women across the United States each year.
- Since CHIP's creation, the number of uninsured children has fallen by one-third. Today, the number of uninsured children is the lowest on record.
- While CHIP is authorized through 2019, its funding ends in 2017. Congress must extend funding for at least five years to preserve affordable, comprehensive care for children and pregnant women.

## Why is CHIP Still Important in a Post-Health Reform Era?

- CHIP offers services uniquely tailored to meet the needs of children, including dental and vision care, hospitalizations, and hearing and habilitative services.
- CHIP is more affordable than coverage offered through the Marketplace. Unlike Marketplace plans, CHIP limits families' out-of-pocket costs to no more than 5% of family income. Many states impose no cost-sharing or premiums in CHIP. A study of 17 states by Watson Wyatt found higher actuarial values for CHIP plans compared to those in the Marketplace.
- CHIP is a vital safety net for children and pregnant women who fall into the "family glitch" and are ineligible for subsidized health coverage in the Marketplace. The GAO estimates that 1.9 million children will be uninsured if CHIP ends due to the "family glitch" if CHIP ends.
- Because CHIP doesn't restrict its enrollment period, it may be the only available coverage for uninsured pregnant women who unsuccessfully try to get coverage outside of an open enrollment period.
- Children enrolled in CHIP have access to a range of primary, specialty, and pediatric providers to ensure they receive medically and developmentally appropriate care. Because Marketplace plans are not typically designed specifically for children, they may not offer the full scope of providers.

## CHIP Facts

- Over 8 million children and 370,000 pregnant women receive care through CHIP yearly.
- Nineteen states cover pregnant women through CHIP, with eligibility up to at least 185% of the federal poverty level.
- CHIP, together with Medicaid, has brought the rate of uninsured U.S. children to a historic low of 7.2 million.
- States have broad flexibility to set CHIP's eligibility, benefits, and enrollment rules.
- CHIP offers states an enhanced federal match rate, averaging 70%.
- If CHIP ends, millions of children could be left uninsured.

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