

CHIP TURNS



Celebrating 25 years of the
Children's Health Insurance
Program (CHIP)

August 5, 2022





Background

CHIP was first authorized by Congress in 1997, and is jointly administered by the Centers for Medicare & Medicaid Services (CMS) and states. CHIP is currently funded through fiscal year (FY) 2027 by the Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable (HEALTHY KIDS) Act and the Advancing Chronic Care, Extenders, and Social Services (ACCESS) Act.

CHIP was designed to build on Medicaid and provide health coverage for uninsured children in families who earn too much to qualify for Medicaid and too little to afford private coverage.

Health coverage is strongly associated with children's ability to thrive. **Children with health insurance are more likely to experience healthy physical and emotional growth and more likely** to complete high school and graduate college compared with their peers who don't have health insurance. Studies have shown that **children with health coverage are less likely to miss school** due to illness and are better prepared to learn, and their parents miss fewer days of work.

States Have Flexibility in Designing Their Programs

CHIP provides comprehensive benefits to children, but benefits vary by state. Despite variation, all states must provide well-baby and well-child care, dental coverage, behavioral health care, and age-appropriate vaccines in their CHIP program. States without a combined CHIP/Medicaid program are not required to provide the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Medicaid benefit for children and adolescents; however, 15 states choose to do so.

States also have flexibility in establishing their own income eligibility limits for their CHIP programs. Today, the upper income limit in separate CHIPs range from 185% up to 400% of the Federal Poverty Level (FPL) depending on the state, with **the median CHIP state covering children up to 255% of FPL.**

CHIP has Grown Alongside Medicaid

Before CHIP was enacted, **10 million children**, or 15 percent of all children, were uninsured. **Over the last twenty-five years, because of CHIP and coverage gains made under the Affordable Care Act, passed in 2010, the number of uninsured children has dropped 70% to 3.7 percent of all children. In FY 2020, approximately 9.1 million children were enrolled in CHIP.**

The passage of CHIP also drove streamlining and program improvements in Medicaid. As a result, the percentage of eligible children enrolled in Medicaid and CHIP has increased over time. In 2008, **81.7%** of children eligible for Medicaid and CHIP were enrolled in the programs. In 2019, **91.9%** of children eligible for Medicaid and CHIP were enrolled in them. Today, **Medicaid and CHIP together cover more than 50% of all children in the United States**, with over 40 million children enrolled in both programs¹.



¹ These significant enrollment gains can also be attributed to coverage expansions, enrollment simplifications attributed to the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (P.L. 111-3) and the Patient Protection and Affordable Care Act (PPACA) (P.L. 111-148), and a mandate for outreach to enroll uninsured children (all states are required to include outreach in their CHIP State Plan, and federal funds are available for outreach and enrollment through grants and a National Campaign as described below). For example, since CHIPRA was enacted states have been able to use **Express Lane Eligibility** to allow children who apply and/or qualify for other public programs, such as Supplemental Nutrition Assistance Program, to qualify children for Medicaid or CHIP. This has allowed states who use this program to increase Medicaid and CHIP enrollment by reducing the administrative burden on families who qualify for coverage.

Children with CHIP or Medicaid Coverage Have Better Health and Financial Outcomes

Research has found that **children enrolled in Medicaid and CHIP experienced better access to care, had fewer unmet needs, and greater financial protection** than children who were uninsured. Compared to children with private insurance, CHIP enrollees had better access to dental benefits and their families experienced much lower financial burden and stress in meeting the child's health care needs.

CHIP Covers Pregnant Women

In addition, the American Rescue Plan Act of 2021 gave states a new option to extend Medicaid and CHIP coverage from 60 days to 12 months after pregnancy. As of July 2022, **18 states and the District of Columbia have chosen to offer extended postpartum coverage.**

CHIP and Medicaid Measure Quality of Care for Children

CHIP has also been made stronger by states' participation in voluntary quality measurement activities. Established under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), **the Medicaid and CHIP Child Core Set** forms the backbone of the Medicaid and CHIP Quality Measurement and Improvement Program to measure access to and quality of care for children. **The Child Core Set includes quality measures to assess performance in behavioral health, preventive and primary care, acute and chronic conditions, perinatal care, oral health, and patient experience.** States began voluntarily reporting the measures in 2010. There has been notable progress in voluntary state reporting since the Child Core Set was established: all states

voluntarily reported at least one Child Core Set measure for FY 2020, and 48 states reported at least half of the measures. **It will be mandatory for states to report all quality measures on the Child Core Set starting in FY 2024.**

CHIP Funds Innovative Public Health Initiatives

In addition, states have the option to **use a portion of CHIP funding for state-designed Health Services Initiatives (HSIs), or innovative projects that improve the health of low-income children.** As of July 2022, CMS has approved 85 HSI projects in 30 states. Examples of approved HSIs include: educational campaigns targeting youth tobacco use; home visitation programs for first-time mothers; lead abatement in the homes of children and pregnant women in areas with high rates of lead contamination and poisoning; programs that train school staff and at-risk children on the use of naloxone kits to reverse opioid overdoses; vision exams and the provision of eyeglasses for children in schools; and nutrition supports, along with an array of other initiatives.

CHIP Continues to Expand and Achieve Its Goals

Twenty-five years later, the success of CHIP continues as more and more children receive the coverage they need. CMS' **Connecting Kids to Coverage campaign awards outreach and enrollment grants** to identify and enroll children who are eligible for Medicaid and CHIP. Since 2009, **CMS has awarded \$265 million in Connecting Kids to Coverage grants to more than 330 community-based organizations, states, and local governments** to conduct outreach to enroll and retain eligible children in Medicaid and CHIP. Most recently, on July 19, 2022, CMS awarded,



through cooperative agreements, \$49 million to 36 organizations in 20 states, including local governments, a tribal organization, federal health safety net organizations, non-profits, and schools, to conduct Medicaid and CHIP outreach and enrollment activities.

In addition, **CMS reaches out to families with children and teens eligible for Medicaid and CHIP through the Connecting Kids to Coverage National Campaign to:**

- Raise awareness about health coverage available under these programs;
- Create opportunities for families to get their eligible children and teens signed up for coverage;
- Motivate parents to enroll their children and teens, utilize their benefits, and renew their coverage; and
- Provide outreach guides and toolkits that can be used to help states, community organizations, schools, health care providers, and others organize and conduct successful outreach activities.

For resources and more information about the Connecting Kids to Coverage National Campaign, visit [InsureKidsNow.gov](https://www.insurekidsnow.gov).

It is clear that a quarter century after its passage, CHIP is a resounding success due to the hard work and partnership of the states and numerous stakeholders with CMS, which has resulted in millions of children and families enrolling in quality, affordable health coverage. While the COVID-19 pandemic put a spotlight on our health system's inequities, it also showed the **resilience and importance of programs like CHIP for low-income families.** CHIP is one essential part in making high-quality health care accessible and affordable for all Americans across all ages. **CMS commits itself to continuing to strengthen the CHIP program over the next 25 years,** and ensuring that all children have access to the health care they need and deserve.