Why CHIP matters for children and what pediatricians are doing to protect it

by Devin Miller • Washington Correspondent

Feb. 4 marks the five-year anniversary of President Barack Obama’s reauthorization of the Children’s Health Insurance Program (CHIP). In conjunction with the anniversary, the Academy is releasing a revised policy statement that analyzes the evolution of the program, identifies its successes and challenges, and provides recommendations to keep it strong.

“As the political discussion of CHIP’s future is likely to become more relevant in the coming months, having a comprehensive statement from the AAP regarding the importance of the program seems timely,” said Andrew D. Racine, M.D., Ph.D., FAAP, lead author of the policy statement titled, Children’s Health Insurance Program (CHIP): Accomplishments, Challenges, and Policy Recommendations, www.pediatrics.org/cgi/doi/10.1542/peds.2013-4059.

Signed into law 16 years ago, CHIP provides health coverage to nearly 8 million children in families with incomes too high to qualify for Medicaid but too low to afford private health coverage. Although provisions in the Patient Protection and Affordable Care Act (ACA) extended authority for CHIP through 2019, program funding was extended only through Fiscal Year (FY) 2015.

The Academy has long supported CHIP and other programs that help ensure all children are covered by quality, affordable health insurance. In 2012, Medicaid and CHIP provided health insurance to more than 50% of children in the United States, making both programs combined the largest insurer of U.S. children. Uninsured children are three times more likely than children with insurance to lack access to a needed prescription medicine, five times more likely to have an unmet need for medical care and 30% less likely to receive medical treatment if they are injured.

“When you look through the history of making health care accessible and affordable, CHIP stands out as being one of the milestones in that category,” said Jay E. Berkelhamer, M.D., FAAP, AAP past president (2006–07). “It was an important step on the journey of making sure children get what they need in this country.”

Looking back

As part of the Balanced Budget Act of 1997, CHIP was created to address the needs of 10 million children in low-income families who were without health insurance and with incomes above Medicaid eligibility. The program was enacted as Title XXI of the Social Security Act and provided states $40 million over 10 years in block grants to fund CHIP programs.

States partner with the federal government to match CHIP funds. Federal rules allow CHIP programs to be designed as expansions of a state’s Medicaid program, a stand-alone program or a combination of the two.

By 2000, every state and territory had created its own CHIP program. As states ran out of funds, created waiting lists and experienced other challenges for the care of children, Congress extended funding to the states in 2006 and 2007 so they could continue running the program as debate about the program’s future continued.

Although the CHIP reauthorization was vetoed twice in 2007 and 2008, the extension of CHIP became a priority after the 2008 election. Advocacy by the Academy and other child health groups led to passage of the Children’s Health Insurance Program Reauthorization Act (CHIPRA) of 2009. The new law included several changes:

- improved benefits by mandating that stand-alone CHIP programs include coverage for dental, mental health and substance abuse services to the same extent as medical and surgical treatment;
- a process to create a core set of child health quality measures and funding to encourage states to implement their own quality demonstration projects;
- creation of the Medicaid and CHIP Payment and Access Commission;
- increased appropriations and extension of the program through 2013;
- creation of Express Lane eligibility, which coordinates enrollment in CHIP with other programs such as the Supplemental Nutrition Assistance Program; and
- incentives for states to streamline enrollment by reaching out to eligible but unenrolled children and families.

Paving the way forward

Along with passage of the ACA in 2010 came several modifications to CHIP, including extending the program through 2019 and funding the program through FY 2015. Without reauthorization, children who...
qualify may transition into the ACA’s new health insurance marketplaces, but some covered by CHIP could be left uninsured after FY 2015.

“When considering what should be done in the future to cover such children, knowing the successful effect of the CHIP program is essential to informing this debate,” said Dr. Racine.

The Academy is advocating for several priorities at the federal level to help keep CHIP strong for children: CHIPRA funding for quality improvement, extended resources for Express Lane eligibility and state incentives to improve enrollment. Two of these priorities were included in a legislative package that received unanimous votes in the Senate Finance Committee. Congress will re-examine this package by March 31.

The Academy’s advocacy to Congress is driven by the recommendations for the program outlined in the new CHIP policy statement:

• Fully fund CHIP through 2019.
• Expand awareness of CHIP among eligible families.
• Facilitate access to CHIP by eligible children.
• Work to reconcile provisions in CHIPRA and the ACA.
• Maximize comprehensive coverage and affordability for children in CHIP.
• Support the quality measurement provisions incorporated into CHIPRA.
• Ensure adequate payment for pediatricians who care for CHIP patients.

“It is a tumultuous period in health care for our country. It is not the time to pull back,” said Dr. Berkelhamer. “It is the time to make sure we have the programs and services in place that our children need. We must mobilize pediatricians to advocate the importance of CHIP to their legislators.”