



Washington State  
Health Care Authority

# Children's Health Insurance Program (CHIP)

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# What is CHIP?

- Created in 1997, CHIP is a federally matched health coverage program for kids that has seen bipartisan support.
- Historically, CHIP federal match has been 65%. Since the Affordable Care Act (ACA), federal match has been 88%.
- CHIP is not administered as a distinct program.
  - Integrated with Medicaid within the Apple Health for Kids program.
- Federal funding for CHIP expired on September 30, 2017.
  - FFY17 CHIP federal expenditures totaled \$242 million.

# Who is Covered by CHIP?

- In SFY 2017, CHIP:
  - Covered 46,000 kids with income between 210%-312% FPL.
  - Covered 6,700 non-citizens who legally reside here.
  - Provided prenatal coverage to 5,000 undocumented women with income up to 193% FPL.
  - Provided extra federal match for 124,000 Medicaid children with income between 133%-209% FPL.
  - Funded the Washington Poison Center and the WithinReach call center.

*NOTE: Numbers are based on monthly average caseloads during SFY 2017.*

# CHIP is a Part of Apple Health for Kids

- RCW 74.09.470
  - Creates an entitlement for all children with household income up to 250% FPL.
  - If Legislature provides funding, covers children with incomes up to 300% (312% after the Affordable Care Act).

# If We Lose CHIP Funding...

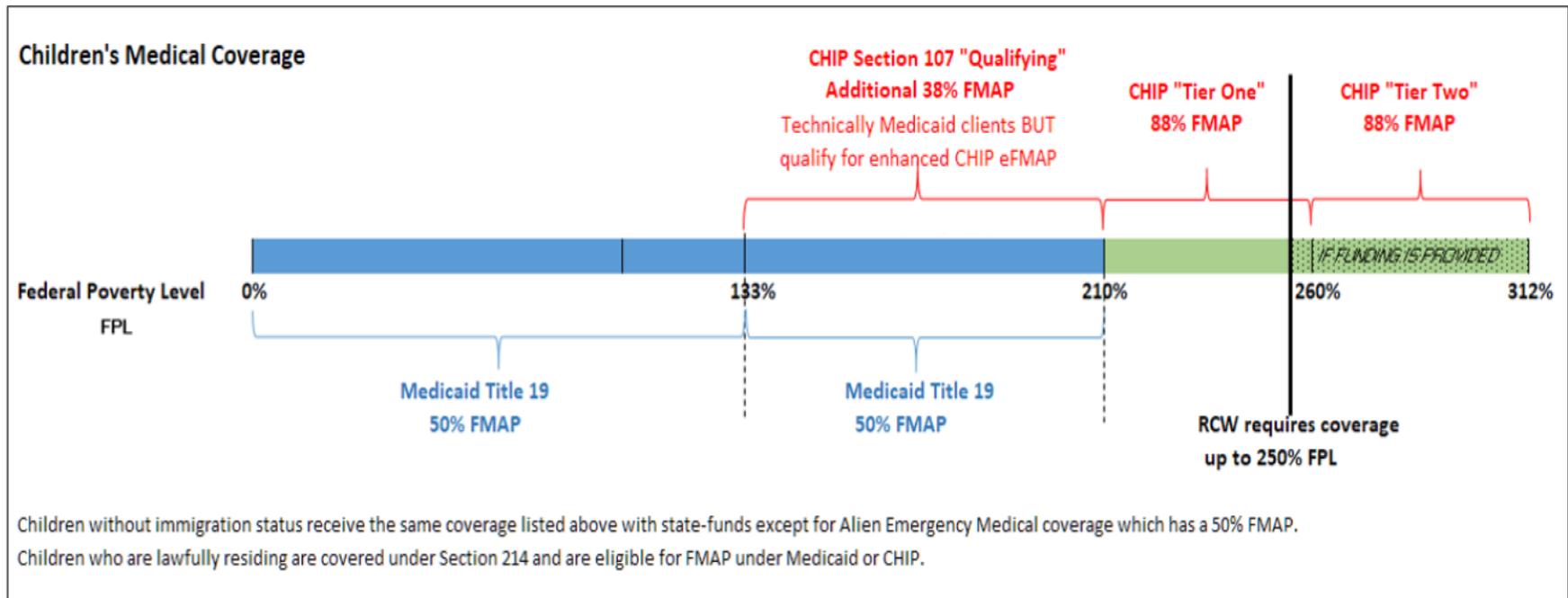
- **CHIP kids with income between 210-312% FPL**
  - Anticipated expenditures: \$177 million federal in the 17-19 biennium.
  - Without CHIP, the state can expand Medicaid coverage to these children at 50% federal match.
  - If Medicaid expanded to...
    - 250% FPL: an additional \$26 million State GF in the 17-19 biennium.
    - 312% FPL: another \$23 million State GF in the 17-19 biennium (on top of the \$26 million).

# If We Lose CHIP Funding...

- **“Qualifying” Medicaid children**
  - Washington expanded Medicaid coverage to children prior to the 1997 CHIP implementation.
    - State may draw down extra CHIP federal dollars for Medicaid kids above 133% FPL.
  - Under ACA Maintenance of Effort requirements, state must continue to cover Medicaid kids up to 210% FPL.
  - Without CHIP, would need an additional \$144 million State GF in the 17-19 biennium.

# How Do Medicaid and CHIP Interact?

Medicaid and CHIP federal funding is braided within the state's funding of children's medical assistance coverage.



# If We Lose CHIP Funding...

- **Lawfully Present Non-Citizens**
  - CHIP funding covers legally residing children and pregnant women who historically had to reside in the country for five years before being eligible for Medicaid.
  - Without CHIP, would have to backfill about \$27 million in State GF in the 17-19 biennium.

# If We Lose CHIP Funding...

## Unborn Children (Pregnancy Medical)

- CHIP covers prenatal care for women who do not meet citizenship requirements for Medicaid.
  - Labor and delivery costs covered under Medicaid (Alien Emergency Medical program) – 50% federal match.
  - Up to two months of postpartum care costs covered as state-only.
- Without CHIP, would have to backfill about \$28 million State GF in the 17-19 biennium.

# Summary Impact of the Loss of CHIP Funding

\$ in Millions	2017-2019 Biennium					
	Current Program		Medicaid Expansion		Difference in Funding	
	Federal Match	State Share	Federal Match	State Share	Federal Match Lost	State Backfill
CHIP Children above 250% FPL	\$84	\$11	\$61	\$35	(\$23)	\$23
CHIP Children at or below 250% FPL	\$93	\$13	\$67	\$38	(\$26)	\$26
Medicaid Children between 133%-210% FPL	\$187	\$0	\$43	\$0	(\$144)	\$144
Lawfully Present Non-Citizens	\$43	\$6	\$16	\$33	(\$27)	\$27
Undocumented Pregnant Women (Unborn)	\$44	\$6	\$16	\$34	(\$28)	\$28
Administration	\$10	\$1	\$7	\$6	(\$3)	\$3
<b>Total, Annual</b>	<b>\$461</b>	<b>\$37</b>	<b>\$210</b>	<b>\$146</b>	<b>(\$251)</b>	<b>\$251</b>

# Current CHIP funding situation

- Federal CHIP funding expired on September 30, 2017.
- Since October, Washington has received about \$89 million in CHIP funding via:
  - Redistributed funds (about \$31 million federal to WA for October through December) from states that did not spend their CHIP funding within two years.
  - Continuing resolutions (about \$57 million to WA intended to cover CHIP costs through March 2018).
- Funding anticipated to be exhausted in February.

# Questions?

More Information:

<http://hca.wa.gov>

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