

Policy Level

PLACEHOLDER

PL-DC Children’s Health Insurance

Agency Recommendation Summary Text

The Health Care Authority (HCA) requests a placeholder in the 2018 Supplemental to address the potential loss of federal funding for the Children’s Health Insurance Program (CHIP), which ended September 30, 2017. If the federal program is not reauthorized, additional state dollars will be needed to continue the program at its current level.

Fiscal Summary

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-2 GF-Federal				
Total Cost				
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-2 GF-Federal				
Total Revenue				
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A – Salaries				
Obj. B – Benefits				
Obj. C – Contracts				
Obj. E – Goods & Services				
Obj. G – Travel				
Obj. N – Client Services				

Package Description

Federal funding for CHIP ended September 30, 2017. In Washington State, nearly 53,000 children and 5,000 women receive health coverage financed under the CHIP State Plan. CHIP funds pay for:

- Comprehensive healthcare coverage for about 47,000 children residing in households with incomes between 210 and 312 percent of the Federal Poverty Level (FPL)

- Prenatal coverage for about 5,000 pregnant women ineligible for Medicaid due to citizenship status (unborn option);
- Coverage for around 6,000 lawfully present, non-citizen children (CHIPRA Section 214);
- The Washington Poison Center; and
- The WithinReach call center.

In addition, the state uses its CHIP federal grant to receive enhanced federal funding to cover the costs of about 124,000 Medicaid eligible children residing in households with incomes between 133 and 210 percent FPL (CHIPRA Section 107).

Washington State's federal fiscal year 2017 allotment was \$242.5 million. Historically, the Federal Medical Assistance Percentage (FMAP) for eligible CHIP expenditures in Washington State was 65 percent, meaning that the federal government paid 65 percent of eligible CHIP costs, and the state paid 35 percent. The Affordable Care Act increased the CHIP FMAP for the time period from October 2015 to September 2019 from 65 percent to 88 percent, assuming CHIP federal funding was available.

It is not certain what actions Congress will take regarding the reauthorization of CHIP. However, there are three major scenarios:

1. Funding for CHIP is reauthorized at its current 88 percent FMAP rate – no immediate state budgetary action is necessary, however this FMAP rate may be scaled down over time;
2. Funding for CHIP is not reauthorized - estimated \$176.9 million loss in federal funding per year. This figure assumes that the state will submit a state plan amendment to cover children under the Medicaid program up to 250 percent FPL;
3. Funding for CHIP is reauthorized but at the lower 65 percent FMAP - estimated \$64.1 million loss in federal funding.

Mary Wood, Medicaid Eligibility and Community Support: 360.725.1416 or mary.wood@hca.wa.gov

Decision Package Justification and Impacts

Performance Measure Detail:

Activity Inventory

H008 HCA Children's Health Program Clients

What specific performance outcomes does the agency expect?

HCA expects to continue to provide access to quality health care to approximately 50,000 low-income children in the State of Washington.

What alternatives were explored by the agency and why was this option chosen?

None

What are the consequences of not funding this request?

HCA will not be able to maintain services and caseload for children served under CHIP in the State of Washington.

How has or can the agency address the issue or need in its current appropriation level?

Through managed care, HCA has worked to reduce costs by improving our clients' experience with integrated, coordinated health care that meets physical and behavioral health needs. By meeting their whole person needs, inpatient stays and other costly services will be reduced over time.

Provide references to any supporting literature or materials:

None

Base Budget

If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The proposed funding package is to maintain the current services provided to CHIP clients.

Expenditure, FTE and Revenue Assumptions, Calculations and Details:

This request is a placeholder until the federal funding level for this program is resolved.

Impacts to Communities and Other Agencies

Fully describe and quantify expected impacts on state residents and specific populations served.

The funding requested in this proposal would allow HCA to continue to provide access to high-quality health care to approximately 50,000 low-income children in the State of Washington. The state's Medicaid programs are entitlements, and therefore Washington State must provide access to such services to any resident who applies and is determined financially and medically eligible. This request is based on the estimates of the Caseload Forecast Council, which forecasts the number of individuals that will enroll in such programs in the future.

What are other important connections or impacts related to this proposal?

Does this request have:

Regional/county impacts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Other local government impacts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Tribal government impacts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Other state agency impacts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Does this request:

Have any connection to Puget Sound recovery?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Respond to specific task force, report, mandate or executive order?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Contain a compensation change?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Require a change to a collective bargaining agreement?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Create facility/workplace needs or impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Contain capital budget impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Require changes to existing statutes, rules or contracts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Have any relationship to or result from litigation?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

If “Yes” to any of the above, please provide a detailed discussion of connections/impacts.

RCW 74.09.470 requires affordable health care coverage for all children under 19 who reside in Washington and whose family income is below 250 percent FPL. If CHIP funding is not reauthorized additional state dollars would be required to provide health care coverage for these children.

Additional state funding would also be required to make up the loss of CHIP funding for children who have or who are legally residing or who have family income between 133 percent and 210 percent FPL. The federal match would revert back to the 50 percent Medicaid match rather than the current 88 percent CHIP match assumed in the budget.

Under RCW 74.09.470, children above 250 percent but below 300 percent FPL received health care coverage to the extent that funds are appropriated. The 2018 budget has appropriated dollars to provide health care coverage for these children. However, this appropriation was based on the assumption of 88 percent federal match. Additional state dollars would be needed to continue coverage for these children. If the legislature does not appropriate funding for children over 250 percent FPL, these children would need to access coverage through a Qualified Health Plan (QHP) in the Exchange. The family out of pocket costs for a QHPs far exceed CHIP. QHPs have higher premiums as well as co-pays and deductibles. Families may find coverage under a QHP unaffordable for their children.

The State would also need provide additional state dollars to cover the loss of CHIP federal funding for pre-natal services for women who do not meet the immigration criteria for Medicaid. Without this funding these women would not be eligible for pre-natal care leading to poorer birth outcomes and high risk deliveries. Loss of pre-natal care could increase state expenditures for labor and delivery as these costs are covered under the Title XIX emergency medical program. It could also increase cost of care for the newborns which will be eligible for Medicaid coverage.

There would be a lack of funding for both the Poison Control Center and the Healthy Kids Now call center operated by WithinReach.

Information Technology (IT)

Does this request include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes

Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)