

Summary of Final CHIP Reauthorization Bill

Total new spending:	\$32.8 billion
Pay-for:	62-cent increase in federal tobacco tax (\$31.3 billion); bill also includes savings from eliminating future Medicaid Health Opportunity Accounts (\$100 million).
Children Newly Covered:	4.1 million who would otherwise be uninsured
State allocations:	Bases allotments on combination of previous and projected expenditures, per capita health expenditures, and child population growth in each state. Allotments “rebased” every other year beginning in fiscal year (FY) 2011.
Length of time allocations available:	2 years. After redistribution, any unspent funds go toward performance bonus fund.
Dealing with shortfalls:	Sets up a Contingency Fund, capped at 20% national annual CHIP allotment, to shore up states with anticipated shortfalls.
Eligibility	
<ul style="list-style-type: none"> • Children: 	Up to 300% FPL get enhanced match. States that already go > 300% FPL, have CMS approval for expansion >300% FPL, or have enacted state laws to expand CHIP >300% FPL receive the enhanced match for these children. States expanding >300% FPL after July 1, 2008 receive the regular Medicaid match for children >300% FPL.
<ul style="list-style-type: none"> • Pregnant women: 	Allowed with a state plan amendment, no waiver needed
<ul style="list-style-type: none"> • Parents: 	No new waivers. Existing waivers can be extended through the end of FY11. States receive the enhanced match for FY09, FY10, and FY11, and can get enhanced match in FY12 if they meet their children’s outreach and enrollment benchmarks. In FY13, states get a matching rate between the regular Medicaid match and the enhanced match (the “reduced enhanced medical assistance percentage” or REMAP) for parents if they meet their children’s outreach and enrollment benchmarks; otherwise they receive the regular Medicaid match.
<ul style="list-style-type: none"> • Childless adults: 	No new waivers. Existing waivers can be extended through the end of FY10. For FY11, states will receive a transitional block grant that comes out of their CHIP allotment to cover the adults who were enrolled in CHIP-funded coverage in FY10, but they will only receive the regular Medicaid matching rate for these adults. States can apply for a Medicaid waiver to continue these adults’ coverage in Medicaid.
<ul style="list-style-type: none"> • Legal immigrant children and pregnant women: 	Lifts the five-year waiting period for otherwise eligible legal immigrant children and pregnant women, and removes additional barriers related to calculating these individuals’ income for purposes of determining eligibility. However, it adds a new requirement that legal immigrants document their immigration status when renewing enrollment in Medicaid or CHIP as well as when they apply.

Financial incentives to enroll children:	<p>Awards performance bonuses to states that exceed enrollment baselines for children in Medicaid and implement 5 of 8 enrollment policies (12-month continuous eligibility, elimination of asset tests/allow administrative verification of assets, no face-to-face interview, use a joint Medicaid-CHIP application, automatic/administration renewal, presumptive eligibility, express lane eligibility, and premium assistance).</p> <p>Each state's initial Medicaid enrollment baseline will be calculated based on the number of children enrolled in Medicaid in the state in fiscal year 2007 inflated by the increase in the number of children in the state in 2008 and 2009. For each child enrolled in Medicaid above the baseline, the state will receive a bonus based on the Medicaid cost per child. The amount of the bonus depends on how much a state's enrollment exceeds its baseline.</p>
Other outreach & enrollment policies:	<p>\$100 million in grants for a national enrollment campaign (\$10m), outreach to Native American children (\$10m) and other state and local groups (\$80m) to improve outreach and enrollment, plus extra funding for Medicaid and CHIP translation and interpretation services.</p>
Citizenship documentation:	<p>Applies to CHIP and Medicaid. Allows state option to accept applicants' social security number and match with the Social Security Administration to verify ID and citizenship. If no match is confirmed, the family has 90 days to produce documentation before being denied coverage. Also clarifies children born to mother on Medicaid are exempt from this requirement.</p>
Express Lane Eligibility:	<p>Included as permanent state option. States can accept an income determination from state agencies that administer means-tested family programs (such as free and reduced price school lunch, WIC, and food stamps) rather than requiring a separate determination from the Medicaid/CHIP agency.</p>
Benefits:	<p>Requires dental benefits and mental health parity in CHIP. Clarifies that EPSDT is required in all Medicaid "benchmark plans" for children. Also adds a new option for states to allow CHIP-eligible children enrolled in private coverage that does not include dental to receive dental benefits through CHIP.</p>
Premium Assistance:	<p>Makes it easier for states to offer premium assistance in CHIP, and requires that states include the cost of parent coverage as well as administrative costs in the cost-effectiveness test.</p> <p>For employer coverage to qualify, the employer must pay at least 40% of the cost of coverage, and the benefits must be actuarially equivalent CHIP benchmark benefit plans. Children can receive CHIP wrap-around for benefits and cost-sharing.</p> <p>Also makes losing/gaining Medicaid/CHIP a qualifying event for enrolling in employer based coverage, allows states to obtain data from employers on benefits packages in employer based coverage, and sets new requirements for employers to notify employees about availability of premium assistance.</p>
Quality:	<p>New children's quality initiative to improve quality measurement and data reporting. Calls for developing electronic medical record for children. Includes \$25 million for a demonstration project on childhood obesity. Creates a Medicaid Payment Advisory Commission to examine access and provider payment issues in Medicaid.</p>