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CENTER FOR CHILDREN AND FAMILIES

Georgetown UNIVERSITY Health Policy Institute

CHIPRA at Work Three Years Later: Shaping State Actions and Connecting Children to Coverage

Introduction

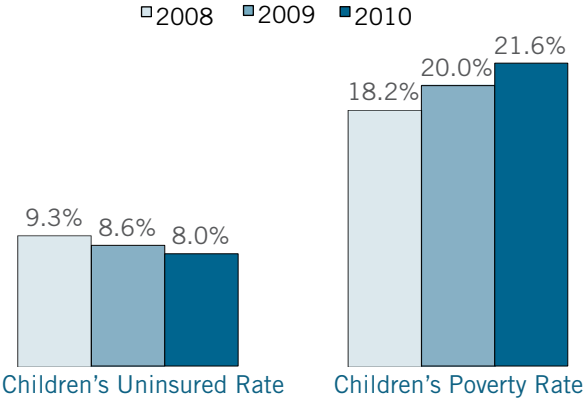
> **"Today, with one of the first bills I sign—reauthorizing the Children's Health Insurance Program—we fulfill one of the highest responsibilities we have: to ensure the health and well-being of our nation's children…In a decent society, there are certain obligations that are not subject to tradeoffs or negotiation—health care for our children is one of those obligations."**
> *—President Barack Obama, February 4, 2009, upon signing the Children's Health Insurance Reauthorization Act (CHIPRA) into law.*

When President Obama signed the Children's Health Insurance Program Reauthorization Act (CHIPRA) on February 4, 2009, the nation already was well into the worst recession since the Great Depression.[1] The recession severely shrank state revenues while boosting the need for Medicaid and CHIP as families lost jobs and their employer-based health insurance. On hand to witness that historic moment were Greg Secrest and his family from Martinsville, Virginia, who knew only all too well the impact of the recession. But they also knew first-hand what a relief CHIP could be for a family suffering through tough times when they secured coverage for their two sons through FAMIS, Virginia's CHIP plan.

"Making sure the boys are healthy and happy can make the rest of my family's problems seem small," said Mr. Secrest at the time. "Everything we have can be replaced with time and hard work, but they cannot."

Medicaid and CHIP are one of our country's greatest success stories, providing high quality health care for millions of children, like the Secrests, and peace of mind for their families. The enactment of CHIPRA three years ago amplified this success by giving states additional tools and resources to maintain and improve children's access to health care. At the time, no one knew that the economic crisis would drag on for years, making it all the more important to provide health coverage to the nation's uninsured children. To a remarkable extent, Medicaid and CHIP have worked exactly as intended despite the unprecedented nature of the economic turmoil. Since 2008, the number of uninsured children has decreased by one million, even as their parents and other adults have grown more likely to join the ranks of the uninsured and child poverty has jumped to alarmingly high levels.[2]

Figure 1. The uninsured rate of children has declined even as child poverty has jumped



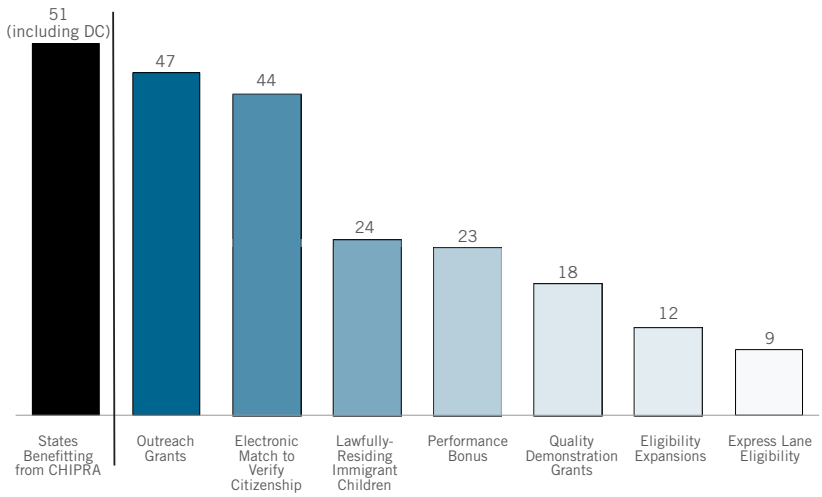
Source: American Community Survey, 2008-2010

The Affordable Care Act has played a significant role in this success story by requiring states to maintain Medicaid and CHIP eligibility and enrollment procedures. However, the country has gone well beyond simply holding steady when it comes to children's coverage—the uninsured rate of children is now at the lowest level on record. In a striking tribute to the effectiveness of CHIPRA, each and every state has benefited from one or more of the law's opportunities to advance coverage for children, with some going much further than others.

Without these actions, it is difficult to imagine that the country would have made major strides in covering its children in the midst of the worst recession in decades.[3]

The law put CHIP on a more secure financial footing, giving states the resources to sustain and strengthen their CHIP programs and to enroll more of the uninsured children who were already eligible for Medicaid, as well as CHIP.[4] In addition to extending and increasing funding for CHIP through 2013,[5] CHIPRA affirmed state flexibility to expand eligibility, introduced new opportunities to reduce paperwork and connect kids to coverage, created performance-based incentives for states to streamline application and renewal procedures and increase Medicaid enrollment, and launched initiatives to assess and improve the quality of health care for children. (See Appendix A for a state-by-state list of actions resulting from CHIPRA.)

Figure 2. Number of States Taking Advantage of CHIPRA Tools and Incentives



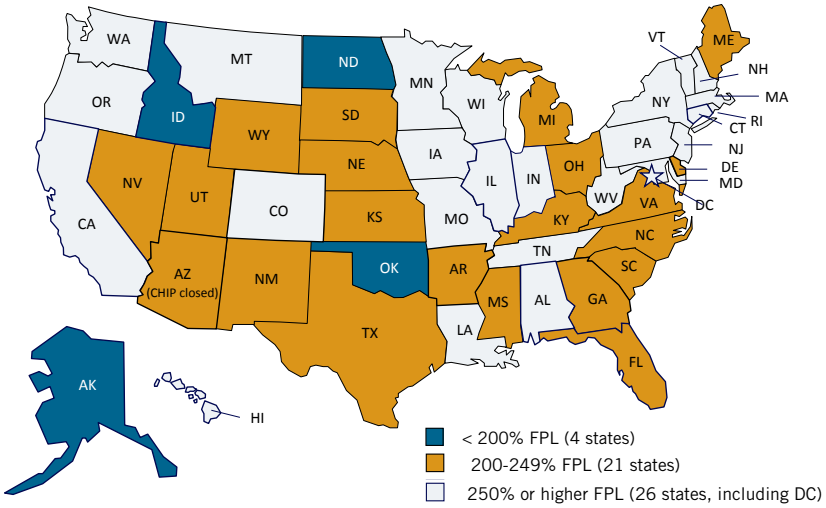
Note: Many states appear in more than one category • See Source Data in Appendix A

Building a Stronger Foundation; Extending Coverage to More Children

CHIPRA untied the hands of states to provide access to more families who are struggling to find affordable coverage for their children. Prior to CHIPRA, state expansion plans had been stymied due to the uncertainty of adequate federal funding for CHIP going forward and by efforts of the Bush administration to cap coverage at 250 percent of the federal poverty level (FPL) through executive order. Over the past three years, 12 states raised eligibility for uninsured children, resulting in a median coverage level of 250 percent of the FPL,[6] with higher income families generally paying a share of the cost of their children's coverage through premiums and/or co-payments. Expansions of eligibility often have an unexpectedly positive impact – even small ones create a welcome mat effect that fuels enrollment of children already eligible for both Medicaid and CHIP and leads to additional coverage gains.

Lawfully-residing immigrant children in 24 states are now eligible for Medicaid and CHIP after CHIPRA gave states the option to lift the five-year waiting period previously required before federal funding could be tapped. As a direct result, lawfully-residing immigrant children gained access to coverage in eight (8) new states across the country.[7] In the remaining 16 states that have taken advantage of this CHIPRA option, federal funding bolstered existing state-funded programs for immigrant children, making such coverage less vulnerable to state budget cuts.[8]

Figure 3.Children's Eligibility for Medicaid/CHIP by Income, January 2012



Source: Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families.

Lightening the Paperwork Load for Families and States

Appreciating the value of using technology to streamline enrollment and reduce state administrative burdens, CHIPRA gave states a new option to rely on an electronic data exchange with the Social Security Administration to verify citizenship. As a result, families in 44 states applying for Medicaid and CHIP no longer have to use a paperwork-intensive process to prove their citizenship status, a welcome relief for families and states alike.[9] States report extremely high rates of successful matches in confirming citizenship, as well as significant administrative cost savings.[10]

An impressive number of children – 10,484 – were enrolled in Medicaid in Louisiana in a single night on February 11, 2010, thanks to a new CHIPRA option called Express Lane eligibility. Following Louisiana's lead, eight (8) additional states are using the eligibility findings of other income-based programs such as the Supplemental Nutrition Assistance Program (SNAP) or accessing income data from the state revenue or tax department to enroll or renew coverage for tens of thousands of eligible, low-income children.

Supporting and Rewarding State Enrollment Efforts

Acknowledging that the job of covering kids is not done, despite significant progress, CHIPRA invests in strategic and sustained outreach. CHIPRA has awarded $90 million in 149 grants to community-based organizations, provider groups, multi-state consortiums, Indian health organizations, and state agencies in 47 states to conduct outreach and boost enrollment and retention. Tens of thousands of families have been enrolled as a result of these state and community-based outreach and enrollment activities.

To support state efforts to enroll and retain the lowest-income children, CHIPRA awards performance bonuses to states that simplify the way families apply for and renew coverage and exceed specific enrollment targets for children in Medicaid.[11] In 2011 alone, 23 states received bonuses for enrolling 1.2 million children beyond the law's aggressive enrollment goals, which increase markedly each year. The progression of states earning bonuses from 10 in 2009 to 16 in 2010 to 23 in 2011 illustrates that the potential to earn a performance bonus is a strong motivator for states to take action. For example, Ohio expressly implemented 12-month continuous eligibility and presumptive eligibility in a matter of weeks in March 2010 to meet the April deadline to qualify for a 2010 bonus, while South Carolina implemented Express Lane eligibility in a similar fashion in 2011. Altogether over the past three years, states earned more than $500 million in CHIPRA performance bonuses, helping to offset the state cost of covering more children and leading to increased participation of children already eligible for Medicaid and CHIP.[12]

Table 1. CHIPRA Performance Bonus Awards

	2009	2010	2011
Number of States Awarded Bonus	10	16	23
Range of Individual Awards	$.7 million – $9.5 million	$.8 million – $23.4 million	$1.3 million – $28.3 million
Total Amount Awarded	$37.1 million	$167.2 million	$296.5 million

Measuring and Assuring Quality Care for Children

CHIPRA recognizes that getting kids covered is only the first step. To ensure that access to coverage translates to access to care and better health outcomes, the law launched a variety of quality initiatives. Eighteen (18) states have received $20 million in CHIPRA funding for 10 multi-year demonstration projects to strengthen the quality of care and serve as learning laboratories for all states. Additionally, a set of 24 core pediatric measures have been developed to assess and compare the quality of health care for children, along with a process to expand quality measurement and improvement activities over time.[13]

Providing a Blueprint for Moving Forward

The reauthorization of CHIP continues to advance and improve children's coverage in far-reaching and fundamental ways. Every state and the District of Columbia have benefited, some more than others, from CHIPRA. The progress made and lessons learned in covering our nation's children provide a blueprint for the country as it implements more sweeping reforms to expand coverage to all of its lawful residents under the Affordable Care Act.

Endnotes

1 According to the National Bureau of Economic Research, the recession officially began in December 2007 and ended in June 2009, http://www.nber.org/cycles/sept2010.html.

2 T. Mancini, M. Heberlein, and J. Alker, "Despite Economic Challenges, Progress Continues: Children's Health Insurance Coverage in the United States from 2008-2010, Georgetown Center for Children and Families (November 2011).

3 In prior recessions, the fiscal pressures propelled states to trim eligibility and tighten application and renewal procedures to suppress enrollment. See D. Cohen Ross, et al "Beneath the Surface Barriers Threaten to Slow Progress on Expanded Health Coverage of Children and Families: a 50 State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2004," Kaiser Commission on Medicaid and the Uninsured (October 2004).

4 D. Horner, J. Guyer, C. Mann and J. Alker, "The Children's Health Insurance Program Reauthorization Act of 2009," Georgetown University Center for Children and Families (March 2009).

5 Congress subsequently extended funding for CHIP through 2015 in the Affordable Care Act.

6 The median eligibility level includes Illinois, where approval is pending to secure federal funding for children currently covered by state-only funds between 200 and 300 percent of the federal poverty level. See M. Heberlein, T. Brooks, J. Guyer, S. Artiga, J. Stephens, "Performing Under Pressure," Kaiser Commission on Medicaid and the Uninsured, (January 2012).

7 New states offering coverage to lawfully-residing children include IA, MT, NC, NM, OR, RI, VT, and WI. Rhode Island eliminated state-funded coverage for immigrant children in 2008 but reinstated it after CHIPRA provided critical federal support.

8 Pennsylvania also covers lawfully-residing children with state-only funds and has a state plan amendment pending with CMS to secure approval to cover these children. When approved, a total of 25 states will be covering lawfully-residing children through Medicaid and/or CHIP.

9 For a detailed description of the citizenship documentation requirement and the SSA verification option, see Georgetown University Center for Children and Families and the Kaiser Commission on Medicaid and the Uninsured, "CHIP Tips: Citizenship Documentation Changes" (May 8, 2009).

10 California estimated savings of $26 million annually by implementing the electronic data exchange with the SSA. For more information, see D. Cohen Ross, "New Citizenship Documentation Option for Medicaid and CHIP is Up an Running," The Center on Budget and Policy Priorities, (April 2010).

11 For a detailed description of the performance bonus provision, see Georgetown University Center for Children and Families and the Kaiser Commission on Medicaid and the Uninsured, "CHIP Tips: Performance Bonus" and "CHIP Tips: Performance Bonus "5 of 8" Requirements" (June 4, 2009).

12 G. Kenney, V. Lynch, J. Haley, M. Huntress, D. Resnick and C. Coyer, "Gains for Children: Increased Participation in Medicaid and CHIP in 2009," The Urban Institute, (August 2011).

13 Department of Health and Human Services, "Children's Health Insurance Program Reauthorization Act, 2011 Annual Report: Quality of Care for Children in Medicaid and CHIP," (September 2011).

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APPENDIX A
States Taking Advantage of CHIPRA Tools and Resources

State	Eligibility Expansions Since CHIPRA[1]	Coverage for Lawfully-Residing Immigrant Children[2]	Express Lane Eligibility[3]	Social Security Administration (SSA) Data Match to Verify Citizenship[4]	Performance Bonus[5]	CHIPRA Quality Demonstation Grants[6]	CHIPRA Outreach Grants[7]
Total	**12**	**24**	**9**	**44**	**23**	**18**	**47**
Alabama	300%		Y	Y	2009,2010,2011		Y
Alaska				Y	2009,2010,2011	Y	Y
Arizona							Y
Arkansas				Y			Y
California		Y		Y			Y
Colorado	250%			Y	2010,2011	Y	Y
Connecticut		Y		Y	2011		Y
Delaware		Y		Y			
District of Columbia		Y		Y			Y
Florida						Y	Y
Georgia			Y	Y	2011	Y	Y
Hawaii		Y		Y			Y
Idaho				Y	2010,2011	Y	Y
Illinois		Y		Y	2009,2010,2011	Y	Y
Indiana							Y
Iowa	300%	Y	Y	Y	2010,2011		Y
Kansas	238%				2009,2010,2011		Y
Kentucky				Y			
Louisiana			Y	Y	2009,2010,2011		Y
Maine		Y		Y		Y	Y
Maryland		Y	Y	Y	2010,2011	Y	Y
Massachusetts		Y		Y		Y	Y
Michigan				Y	2009,2010,2011		Y
Minnesota		Y		Y			Y
Mississippi				Y			Y
Missouri							Y
Montana	250%	Y		Y	2011		Y
Nebraska	200%	Y		Y			Y
Nevada				Y			Y
New Hampshire				Y			Y
New Jersey		Y	Y	Y	2009,2010,2011		Y
New Mexico		Y		Y	2009,2010,2011	Y	Y
New York	400%	Y		Y			Y
North Carolina		Y		Y	2011	Y	Y
North Dakota	160%				2011		Y
Ohio				Y	2010,2011		Y
Oklahoma				Y			Y
Oregon	300%	Y	Y	Y	2009,2010,2011	Y	Y
Pennsylvania			Y	Y		Y	Y
Rhode Island		Y		Y			
South Carolina			Y	Y	2011	Y	Y
South Dakota				Y			Y
Tennessee				Y			Y
Texas		Y		Y			Y
Utah				Y		Y	Y
Vermont		Y				Y	
Virginia		Y		Y	2011		Y
Washington	300%	Y		Y	2009,2010,2011		Y
West Virginia	300%			Y		Y	Y
Wisconsin	300%	Y		Y	2010,2011		Y
Wyoming				Y		Y	Y

Source: M. Heberlein, T. Brooks, J. Guyer, S. Artiga, J. Stephens, "Performing Under Pressure," Kaiser Commission on Medicaid and the Uninsured, (January 2012); updated by the Center for Children and Families. Data as of January 1, 2012.

1. States listed in this column have increased the income level at which families qualify for CHIP since CHIPRA was enacted in February 2009. The source for this analysis is the 2009 and 2012 Kaiser Commission on Medicaid and the Uninsured 50-State Surveys on Medicaid and CHIP Eligibility, Enrollment and Cost-Sharing Practices.

2. This column indicates whether the state received approval through a State Plan Amendment to adopt the option to cover immigrant children who have been lawfully residing in the U.S. for less than five years, otherwise known as the ICHIA option. Illinois (CHIP), Massachusetts (CHIP), and Pennsylvania are waiting for CMS approval. Pennsylvania currently covers these children with state-only funds. Virginia and North Carolina cover lawfully-residing children in Medicaid only.

3. The Express Lane eligibility option allows states to use data and eligibility findings from other public benefit programs when determining children's eligibility for Medicaid and CHIP at enrollment or renewal. States are designated as using Express Lane eligibility if they have an approved State Plan Amendment from CMS.

4. This CHIPRA option became newly available in 2010 and allows states to conduct data matches with the Social Security Administration to verify citizenship. States are listed if they are using the electronic data match in either Medicaid or CHIP.

5. For more information on program features achieved by awardees and amounts of bonus payments, see insurekidsnow.gov.

6. On February 22, 2010, CMS awarded $20 million in CHIPRA Quality Demonstration Grants, which included four single-state and six multi-state projects. For a description of projects and partnerships, see: Department of Health and Human Services, "Children's Health Insurance Program Reauthorization Act, 2011 Annual Report: Quality of Care for Children in Medicaid and CHIP," (September 2011).

7. On September 30, 2009, Cycle 1 of the CHIPRA Outreach Grants were awarded to 42 states and the District of Columbia. In April 2010, CHIPRA American Indian Alaska Native Grants were awarded to 41 Indian health providers in 19 states. On August 18, 2011, Cycle 2