



Summary: Governors’ Letters to Congress on the Future of CHIP

by Sophia Duong

On July 29, 2014, leaders of the Senate Finance Committee and House Committee on Energy and Commerce sent a [letter](#) to all 50 governors asking for their input on the future of the Children’s Health Insurance Program (CHIP). The letter asked six questions, including whether or not governors support extending CHIP funding and any recommendations they have to improve CHIP and children’s coverage. As of December 5, 2014, 42 governors (23 Republicans, 19 Democrats) have responded to this inquiry. A summary of the letters can be found [here](#). The overwhelming majority of letters praise CHIP, with 37 letters explicitly supporting extended CHIP funding. Four letters, Arkansas, Indiana, New Mexico, and Ohio are more vague. Arizona expressed that children’s needs can be met today through the marketplace, and Indiana believes there is significant value for families taking advantage of options in the private market.

The governors’ responses are an important contribution to the debate on the future of CHIP. Below are the highlights of governors’ letters.

List of State Responses

– Individual responses found [here](#).

1. Alabama
2. Alaska
3. Arizona
4. Arkansas
5. California
6. Colorado
7. Connecticut
8. Delaware
9. Georgia
10. Hawaii
11. Idaho
12. Illinois
13. Indiana
14. Iowa
15. Kansas
16. Kentucky
17. Maryland
18. Massachusetts
19. Michigan
20. Minnesota

List of State Responses

21. Nevada
22. New Hampshire
23. New Mexico
24. New York
25. North Carolina
26. North Dakota
27. Ohio
28. Oklahoma
29. Oregon
30. Pennsylvania
31. Rhode Island
32. South Carolina
33. South Dakota
34. Tennessee
35. Texas
36. Utah
37. Vermont
38. Virginia
39. Washington
40. West Virginia
41. Wisconsin
42. Wyoming

“Any change to the existing CHIP will impact Utah’s budget for state fiscal year 2016. State appropriations for this period will be determined by mid-March 2015. Therefore, it is imperative that Congress act soon to make a decision on this issue. Thousands of Utah children will be impacted.”
–Utah



Length of Extension

Recommended Length of Extension	Governor Responses
Permanent or Indefinite (2)	CT, SD
10 year preferred, 2 year minimum (1)	HI
5 year extension (3)	IL, KS, MI
4 year extension (17)	AL, AK, CO, DE, ID, MA, NH, NV, NY, OK, OR, PA, RI, SC, VA, WI, WV
4 year preferred, 2 year minimum (2)	UT, WA
2 year extension (2)	GA, TN
Unspecified Length (9)	CA, IA, KY, MD, MN, NC, ND, TX, WY

“The CHIP program provides an affordable health care option for families and facilitates children’s access to benefits designed with their specific needs in mind.”

-Michigan

Timeframe for Extending CHIP

When Congress should act to extend funding	Governor Responses
As soon as possible/sooner rather than later/next two months (11)	MI, NH, OK, RI, PA, SD, AL, CA, UT, GA, TX
By March 2015/1Q calendar year 2015 (2)	WA and WV
Before July 1, 2015 (2)	MD and ND
Before the expiration date of Sept. 30, 2015 (2)	WI and HI

States expressed need to know CHIP’s future with sufficient lead time:

- States must know 6 months in advance: UT
- Need at least a year in advance if not refunded: NY
- WV would change state plan to close enrollment six months prior Dec 2015 if funding not renewed



CHIP Financing

- Support maintaining 23 percentage point increase in CHIP matching rate (6): AL, CA, IL, MD, RI, VA
- Without extended funding, concerned about quick depletion of funds when 23 percentage point increase goes into effect starting October 1, 2015 (6): MD, NY, OK, PA, SD, WV
- Annual allotment not sufficient (2): RI, WA
- Maintain contingency fund (2): OK, OR

Other Notable Themes

- Suggest elimination or modification of Maintenance Of Effort (MOE) (6): IA, IN, NM, OH, TN, UT
- Oppose ACA requirement to move school-aged “stairstep” kids from CHIP to Medicaid (4): GA, PA, TX, UT

Specific Recommendations:

2009 CHIPRA Provisions

- Reinstate performance bonuses (6): CT, MA, MD, NY, OK, WA
- Support for quality measures (6): AK, MA, OK, VT, WA, WV
- Federal funding for health care outcome data gathering (NV)
- Extend express lane eligibility (ELE)(4): AK, MD, SC, WV

ACA Policy Changes

- Fix “family glitch” (7): CT, GA, KY, NH, OK, TN, UT
- Review qualified health plans (QHPs) for kids (2): CT, NH
- Resolve issues in federally-facilitated market-

place, or FFM (2): SD, UT

- Extend primary care bump and expand to include CHIP (HI)
- Consider “buy-in” CHIP as ACA minimum essential coverage (MEC) (PA)
- Greater integration/alignment of health programs/marketplace (3): DE, IA, VA

Eligibility and Enrollment

- Alignment of eligibility policies across social programs (7): AK, CO, DE, MA, ND, SC, TN
- Guarantee 12-month continuous eligibility for kids (VA)
- Eliminate requirements to prevent substitution of coverage from CHIP (VA)
- Align simplified enrollment/eligibility with federal audits of individual’s eligibility (NV)

CHIP Program Structure

- Broad call for greater state flexibility (7): IN, KS, NC, PA, RI, UT, WI
- Suggests or imply premium assistance for private coverage (4): GA, ID, IN, UT
- More flexibility for states in developing premium structure (PA)
- Allow states to use CHIP funds to cover undocumented kids up to age 18 (IL)
- Lifting or raising cap on special health initiatives and other child health assistance (MN)
- Allow coverage of public employees’ dependents w/out additional qualifying steps (VA)

“Congress should extend CHIP funding for four years to provide health care many of our children. I ask that Congress act soon. We have started budgeting for the 2016 fiscal year, and CHIP’s funding uncertainty complicates that task. The uncertainty of CHIP funding is also stressful for parents trying to make sure their children have health insurance.”

–Alabama



“CHIP funding must be extended until all Kentucky families’ income no longer necessitates the need for this assistance. It is short-sighted to deny children health care coverage – sick children cannot be successful students; sick children cannot thrive in our workforce; and sick children will not lead the happy, productive lives that they deserve. I cannot urge strongly enough for you to continue funding for CHIP.”

–Kentucky

Affordability and Benefit Changes

- Eliminate entitlement assurances like Medicaid EPSDT and non-emergency transportation (NEMT) (ID)
- Allow coverage of medically-necessary IMD placements for CHIP kids (VA)
- Change Vaccines for Children rules in CHIP to match Medicaid (GA)

Outreach and Consumer Assistance

- Federal funding for outreach (4): HI, MA, VA, VT
 - o VA: enhanced federal match or materials in other languages, not just translation

Other Recommended Changes

- Consider social determinants of health (DE)
- Relax Waiver red tape (KS)
- Address beneficiary overpayment (KS)
- Develop health care work force (NV)
- Federal policy requiring universal coverage for kids (VT)
- Block grant Medicaid (IN, TX)