



Utah's CHIP Program Cost Effective Health Coverage for Children

What is CHIP?

The State Children's Health Insurance Program (CHIP) enacted in 1997 was bipartisan legislation that gave federal dollars to states to help provide health care coverage to uninsured children not eligible for Medicaid. **CHIP has provided health insurance coverage to over 100,000 children in Utah.**

Why is CHIP needed?

More than 70,000 children in Utah are uninsured and the number is growing. Private insurance coverage doesn't reach all children. In fact, private insurance is covering fewer families because small businesses increasingly find they cannot afford to provide that coverage. The Kaiser Family Foundation's Employer Health Benefits 2005 Annual Survey reports that 69% of employers offered health insurance in 2000 compared to only 60% in 2005.

When children are uninsured, families have to delay or forgo immunizations, preventative screenings, and treatments for chronic conditions like diabetes or acute conditions like a case of the flu. Delaying or not getting care for our children simply doesn't add up to lower health care costs.

Kids can't insure themselves. Keeping children healthy, or seeing a doctor when they're sick, shouldn't be contingent on the job a parent has or the decisions their employer makes about the affordability of health insurance.

Who is eligible for CHIP?

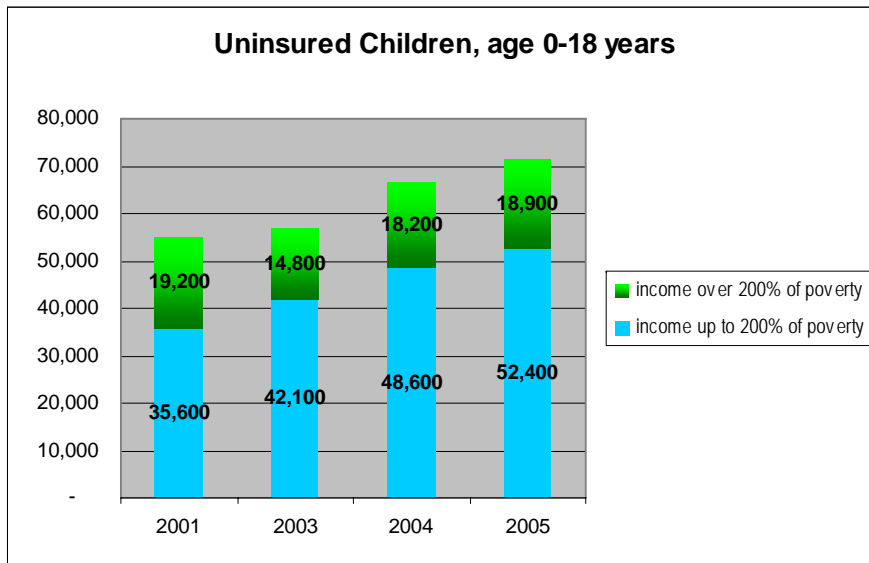
- US citizens or legal residents under the age of 19 are eligible.
- Income cannot exceed 200 percent of the Federal Poverty Level (FPL). The 2006 FPL for a family of four is \$20,000 meaning families making up to \$40,000 may be eligible for CHIP.

Children covered by CHIP are from working families – **90% of uninsured children have at least one parent in the workforce.** Their family's income is too high to qualify for Medicaid but is too low to afford health insurance. Their parents may work for an employer who does not offer coverage or the coverage offered is too expensive.

What does CHIP cover?

CHIP covers most services, including hospital and physician charges. Preventative care like routine physical exams, immunizations, vision and hearing screenings, and basic dental services are covered.

It is modeled after a traditional commercial health insurance plans. Molina Healthcare of Utah and the Public Employees Health Program (PEHP) provide coverage for children enrolled in CHIP.

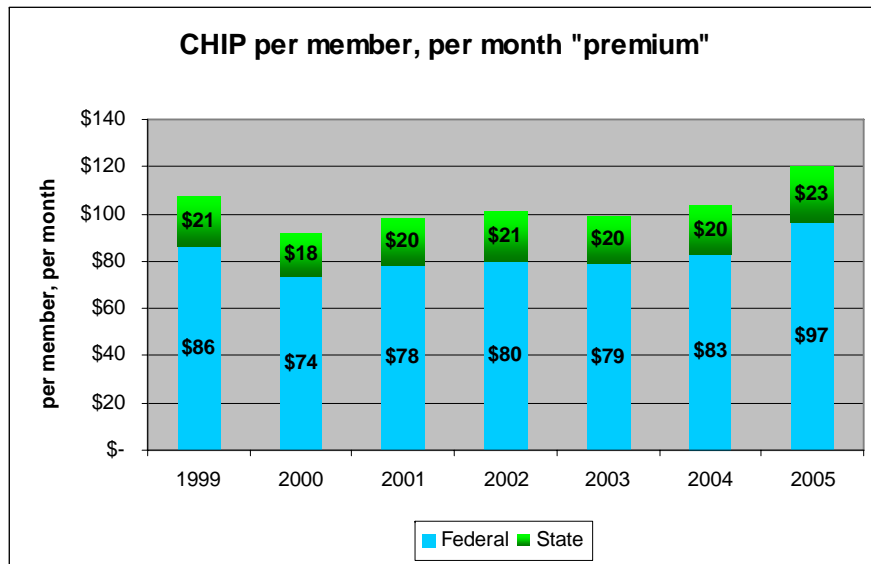




How is CHIP funded?

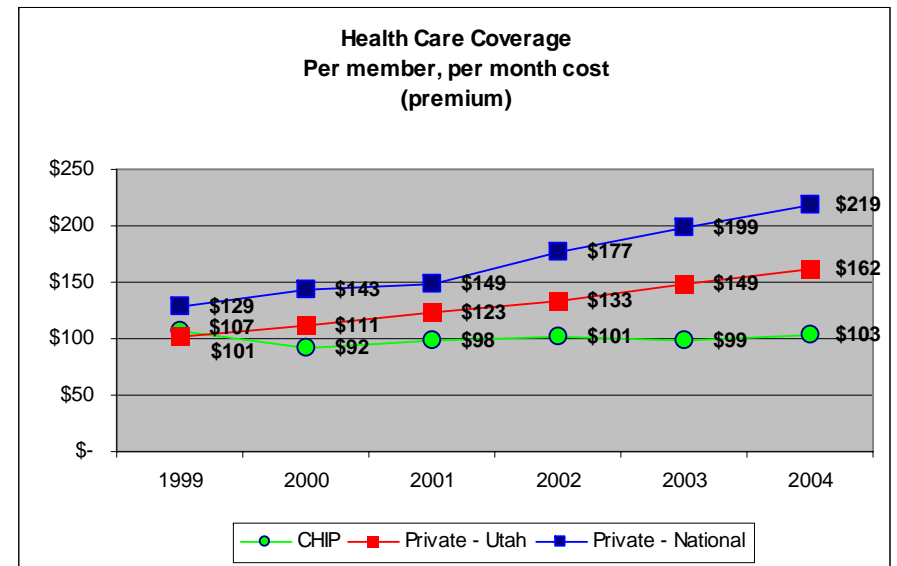
CHIP is funded through Utah's portion of the Tobacco Settlement Payments and a **federal match of approximately 4-to-1**. State tax dollars have not been used to fund the program. Utah has nearly \$50 million of unspent federal matching funds from previous years.

The following chart shows Utah's and the federal government's share of the CHIP premium.



How do CHIP premiums compare to other insurance premiums?

CHIP offers cost-effective coverage. In 2004, private health coverage premiums in Utah were 57 percent more expensive than CHIP. Nationally, private health coverage premiums are double the CHIP premium. Private insurance is covering fewer families because small businesses increasingly find they cannot afford to provide that coverage. **Unlike CHIP, private coverage does not bring in federal matching dollars.**



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Children need health coverage 365 days a year. Without it, small problems become real health risks. CHIP has been successful and efficient in providing health coverage to children in Utah and the nation.