

### **States Affected by Proposals to Restrict SCHIP Coverage Options**

With SCHIP reauthorization on the horizon, some policymakers have suggested that Congress should impose new limits on who can be covered with SCHIP funds. For example, in its fiscal year 2008 budget proposal, the Bush Administration called on Congress to “refocus the program on children at or below 200 percent of poverty levels.” (200 percent of the federal poverty line is equivalent to \$2,862 in gross monthly earnings for a family of three.) If adopted, the Administration’s proposal, along with others like it, could result in the loss of coverage for children and low-income adults (mostly parents). These proposals also could shift new costs onto states that cover children above 200 percent of the federal poverty line (FPL) or that cover parents or other adults under federally-approved waivers.

### **States Potentially Affected by Limits on Coverage Options**

The attached table identifies states that could be adversely affected if SCHIP coverage were limited to children with family incomes at or below 200 percent of the FPL. Overall, more than half of the states (28 states) are potentially affected by the new restrictions under discussion. In addition to the states noted on this table, other states planning to expand coverage for children through their SCHIP program could be prevented from moving forward.

- **Children above 200 percent of the federal poverty level.** Eighteen states currently have income eligibility thresholds in SCHIP above 200 percent of the FPL, ranging from 220 percent of the FPL in West Virginia to 350 percent of the FPL in New Jersey. An additional 16 states have income eligibility levels set at 200 percent of the FPL but apply income disregards and/or deductions (for example, for work-related expenses) that allow them to effectively cover some children in families with incomes above 200 percent of the FPL.
- **Pregnant women.** Five states have SCHIP waivers to cover pregnant women, although more cover pregnancy-related services through the SCHIP “unborn child” option.<sup>1</sup> It is not yet clear how the Administration proposal would treat coverage of pregnant women.
- **Parents.** Eleven states provide family-based coverage that includes parents covered under SCHIP waivers granted by the Secretary of Health and Human Services. One other state (CA) has such a waiver, but has never implemented it.
- **Other adults.** In the Deficit Reduction Act of 2005, Congress prohibited the Secretary of Health and Human Services from granting new waivers that allowed states to use SCHIP funds to cover childless adults. Five states that had already received such waivers were allowed to continue operating them.

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<sup>1</sup> The “unborn child” option refers to SCHIP regulation that allows states to use SCHIP funds to pay for services to fetuses that are carried by women who meet the income and asset standards for eligibility but are not otherwise eligible for Medicaid.

**States with SCHIP Coverage of Children Above 200 Percent of the Federal Poverty Level and Adult Populations (as of March 1, 2007)**

	Children	Adults <sup>1</sup>		
	Income thresholds for children above 200% FPL <sup>2</sup>	Pregnant Women <sup>3</sup>	Parents	Childless Adults
Alabama				
Alaska				
Arizona			Yes	
Arkansas			Yes*	
California	250%			
Colorado		Yes		
Connecticut	300%			
Delaware				
Dist. Of Col.				
Florida				
Georgia	235%			
Hawaii	300%			
Idaho			Yes*	Yes*
Illinois			Yes	Yes*
Indiana				
Iowa				
Kansas				
Kentucky				
Louisiana				
Maine				
Maryland	300%			
Massachusetts	300%			
Michigan				Yes
Minnesota	275%		Yes	
Mississippi				
Missouri	300%			
Montana				
Nebraska				
Nevada		Yes	Yes*	
New Hampshire	300%			
New Jersey	350%	Yes	Yes	
New Mexico	235%		Yes*	Yes*
New York	250%			
North Carolina				
North Dakota				
Ohio				
Oklahoma				
Oregon			Yes*	Yes*
Pennsylvania	300%			
Rhode Island	250%	Yes	Yes	
South Carolina				
South Dakota				
Tennessee	250%			
Texas				
Utah				
Vermont	300%			
Virginia		Yes		
Washington	250%			
West Virginia	220%			
Wisconsin			Yes	
Wyoming				
<b>TOTAL</b>	<b>18</b>	<b>5</b>	<b>11</b>	<b>5</b>

\* Enrollment for adults in these states is limited.

1. CMS FY2006 SCHIP Enrollment data, and supplemented with information on approved SCHIP waivers from CMS dated January 18, 2007. Note that California has a waiver for parent coverage that has not been implemented, and that as of July 2006, Arizona no longer covers childless adults through its approved waiver.

2. CBPP survey for KCMU (January 2007), and selected state updates. Note that Minnesota covers infants to 280% FPL.

3. Indicates waiver-based coverage. Other states cover some pregnancy-related services without waivers under the "unborn child" option.

**NOTE: Depending on the policy, children in an additional 16 states could be affected. These states are: AL, CO, DE, DC, FL, IL, IN, IA, KS, KY, LA, MI, MS, NC, OH, & SD.**

Explanation: Twenty-four states have income eligibility levels in SCHIP set at 200% FPL. Of these, 16 states have income deductions and/or disregards that result in effective coverage above 200% FPL. Some states only include income deductions from child support or income disregards for childcare and thus have higher effective income eligibility levels only for some families.