



CHILDREN NOW



PICO California



Children's Health Insurance Program (CHIP): An Advocacy Playbook for California

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WHAT IS CHIP: THE BASICS

The Children's Health Insurance Program is a program jointly funded by states and the federal government and run by states to cover uninsured children based on income. CHIP currently provides health coverage for 8.9 million children in America and more than 2 million children and pregnant women in California over the course of a year (1.4 million at any given time). In California, children in families with incomes between 138% and 266% of the Federal Poverty Level (FPL, \$33,354 - \$65,436 a year for a family of 4) are income eligible for CHIP. CHIP sits on the shoulders of Medicaid, which provides health coverage to children with family incomes of 138% FPL or less. In California, CHIP enrollees are part of the state's Medicaid program, which is known as Medi-Cal.

Developed as a state-federal partnership that gives governors broad flexibility to design their programs to target the needs of their child populations, states can either develop their own standalone CHIP program or roll their CHIP population into Medicaid where they are subject to Medicaid protections, as California does. CHIP has strong bipartisan roots and support, and continues to be popular among policymakers and the public. Working together, Medicaid and CHIP provide affordable, comprehensive health coverage for 45 million children in America - and 5.7 million in California - enabling poor and lower income children to maximize their health and development.

FEDERAL CHIP FUNDING BACKGROUND

For two decades, CHIP has been an essential source of children's coverage, ensuring access to high-quality, affordable, pediatric care for children in working families whose parents earn too much to qualify for Medicaid but too little to purchase private health insurance on their own.

While Medicaid is a federal entitlement, requiring no annual action to fund or authorize it, CHIP funding must be periodically reauthorized. This has happened four times since CHIP was originally established in 1997. Each time CHIP funding has been renewed, improvements have been made, such as streamlining enrollment processes, ensuring accountability, and piloting projects and grants to improve access, overcome disparities, and increasing the quality of children's health care. Federal CHIP funding was last renewed in 2015 for only two years, and as a result, states have been able to continue to provide CHIP coverage, but have not had the ability to make long term plans or improvements.

2017 CHIP FUNDING RENEWAL

It is time again for CHIP funding to be renewed; without federal action, there will be no new CHIP dollars available after September 30, 2017. However, because states [need time to plan](#) for currently covered populations, notify enrollees, and prepare budget changes if funding is not forthcoming before funding runs out, it is critical that Congress act significantly before that date. California's budget, for example, must be finalized by the state Legislature in mid-June and it is difficult to make a course correction in the middle of the state fiscal year.

Therefore, Congress should act quickly to renew federal CHIP funding sufficient to sustain existing CHIP programs and populations. Importantly, however, *it is critical that any cost*