



MACPAC
Medicaid and CHIP Payment and Access Commission



Extending CHIP: Short-Term Issues

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February 26, 2015

Agenda

- Current status of CHIP funding
- Possible issues to address in CHIP extension

CHIP Funds Run Out in FY 2016

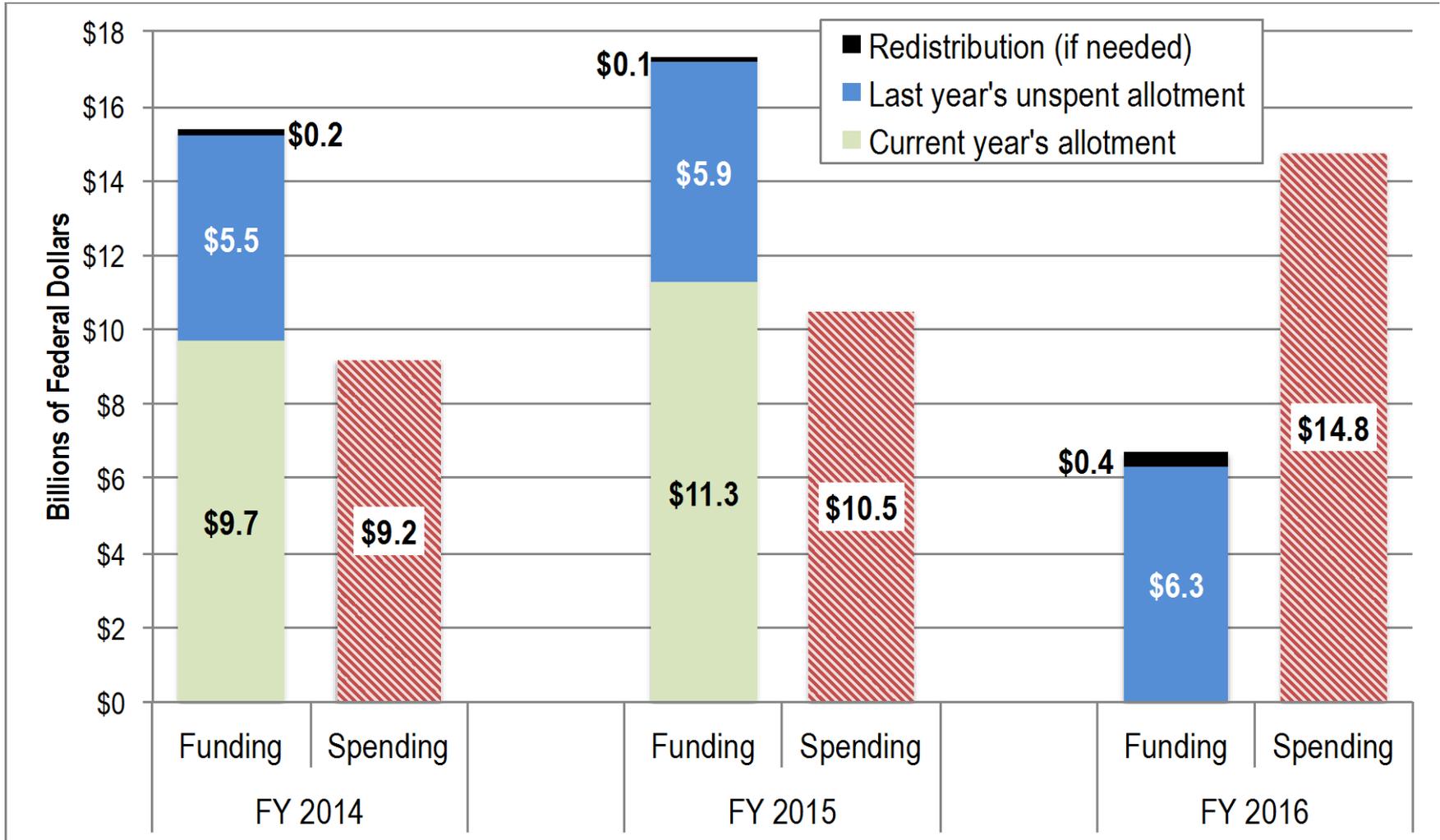
No new CHIP allotments after FY 2015.

- Existing CHIP allotments are available for 2 years.
- Nearly all states expected to begin FY 2016 with leftover FY 2015 allotments.

CHIP matching rate increases by 23 percentage points for FY 2016–2019.

Redistribution of unspent FY 2014 funds will provide limited relief.

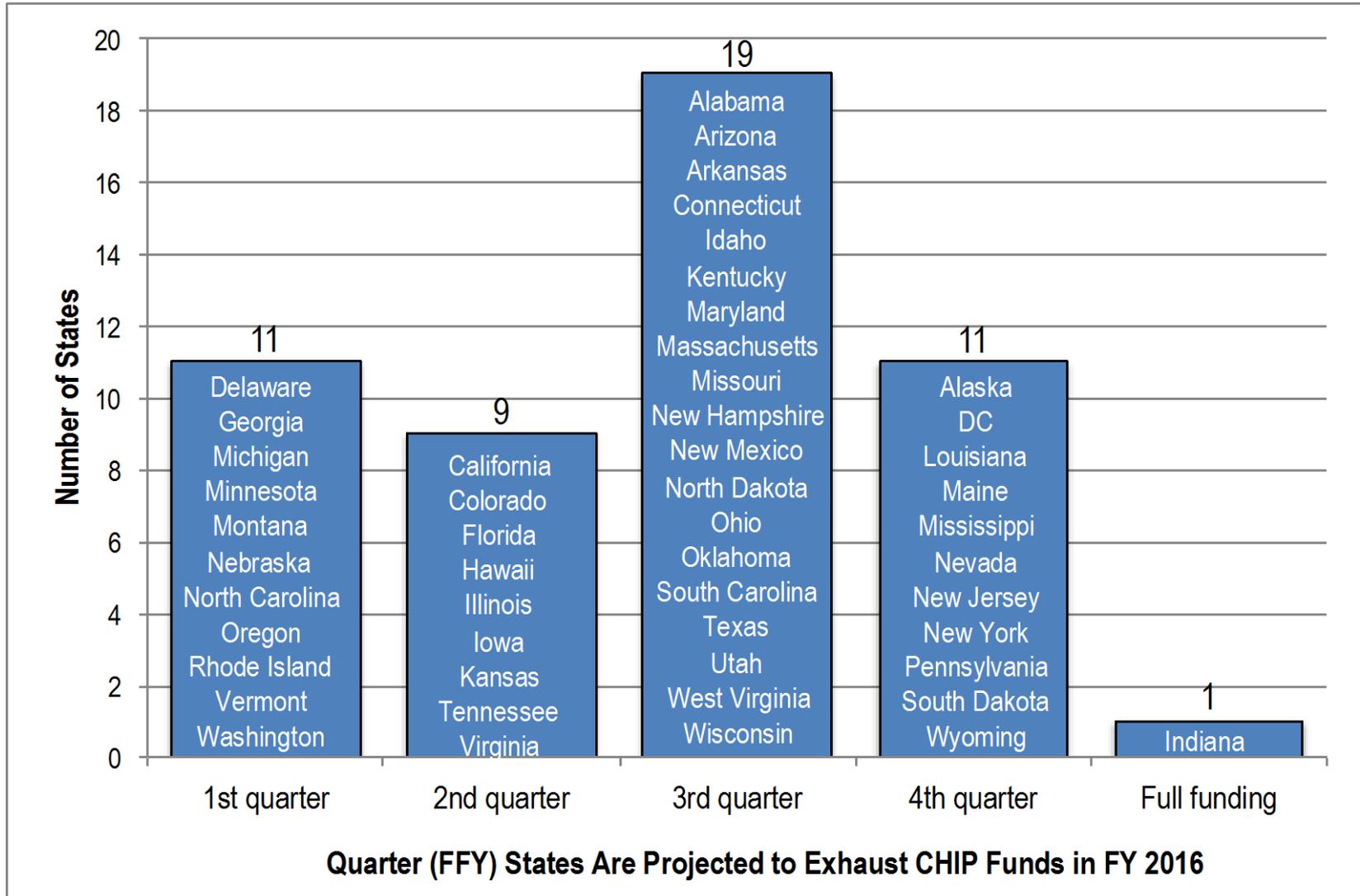
Federal CHIP Financing, FY 2014–2016



Note: Projected federal spending in FY 2016 reflects the 23 percentage point increase in the federal CHIP matching rate.

Source: MACPAC analysis as of February 2015 of Medicaid and CHIP Budget and Expenditure System, including quarterly projections provided by states in November 2014..

Exhaustion of CHIP Funds in FY 2016



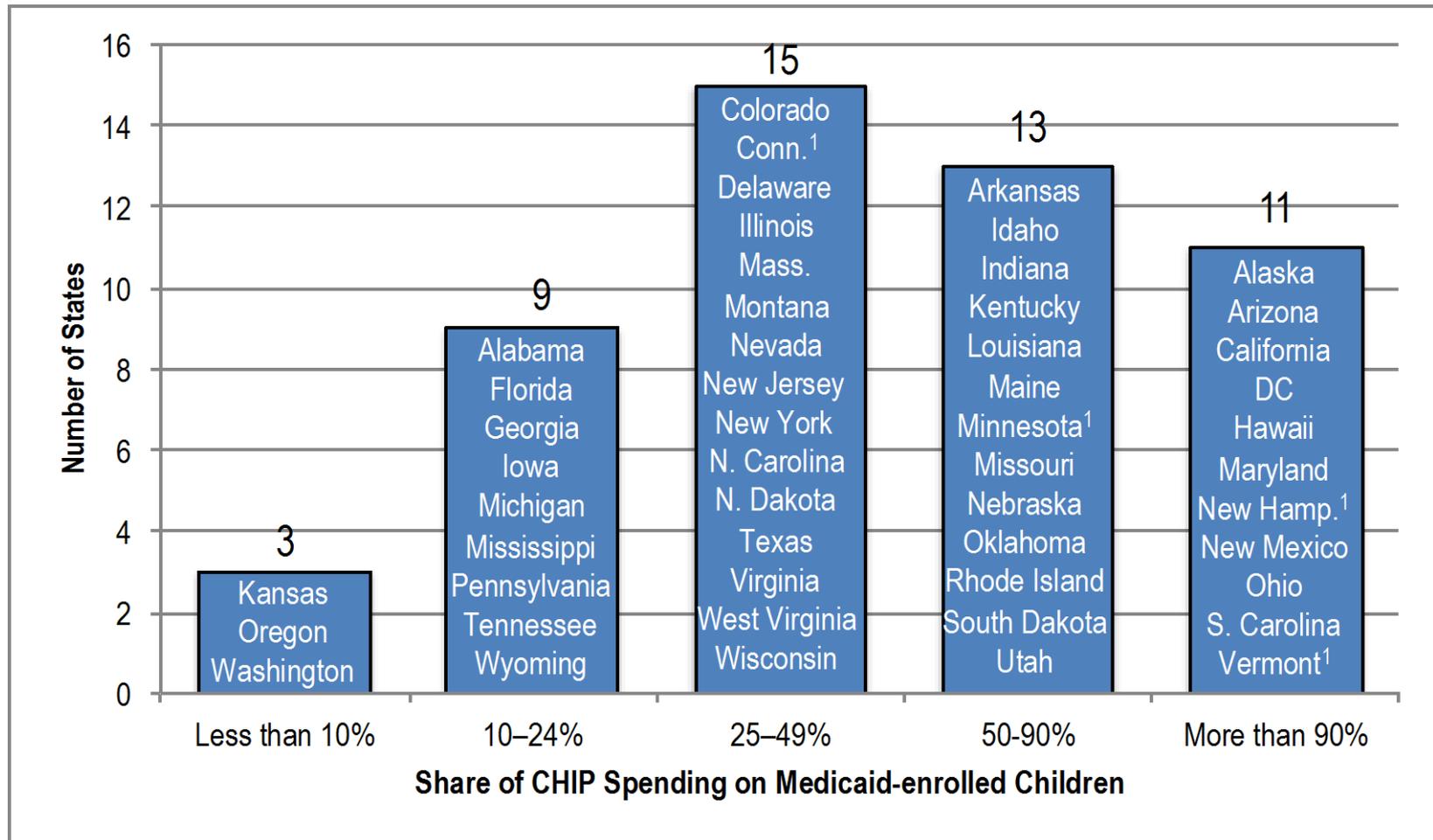
Source: MACPAC analysis as of February 2015 of Medicaid and CHIP Budget and Expenditure System, including quarterly projections provided by states in November 2014.

Effect of Exhaustion of CHIP Funds Varies by States' CHIP Program Design

Scenarios differ based on prior state design decisions:

- Separate CHIP programs are relieved of any further obligations to provide coverage.
- Medicaid-expansion CHIP coverage must continue as Medicaid through at least FY 2019 due to ACA's maintenance of effort (MOE).
 - Children's Medicaid coverage continues.
 - States then receive lower Medicaid matching rate.

If CHIP Ends, Effect on State Budgets Uneven Due to MOE for Medicaid-Expansion CHIP Children



¹ Includes projected §2105(g) spending.

Source: MACPAC analysis as of February 2015 of projections of FY 2016 federal CHIP spending provided by states in Medicaid and CHIP Budget and Expenditure System, including quarterly projections provided by states in November 2014.

Possible issues to address in CHIP extension

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- As Congress considers a CHIP extension, it is possible that changes to the way the program currently operates will also be considered
- What can be shared as part of the Commission's view of these issues?

MACPAC Recommendations

- Statutory option for 12-month continuous eligibility (March 2013)
- Eliminate CHIP waiting periods (March 2014)
- Eliminate premiums for children below 150 percent of the federal poverty level (March 2014)

MACPAC Supports

- A permanent extension of ELE policy option for states
- Continued funding of state and CMS quality measurement efforts
- Improved data collection and monitoring of individuals moving between Medicaid, CHIP, and exchange coverage

Additional CHIP Legislative Issues

Contingency fund:

- As it currently operates, the contingency fund could provide states with funding in excess of their shortfalls
- The authorization for the contingency fund expires after FY 2015

CHIPRA bonus payments:

- Four of the eight criteria are now required for children's eligibility determinations
- The authorization for the bonus fund has expired
- 2007 serves as the baseline year for measuring enrollment growth

Potential CHIP Proposals

- Eliminate 23 percentage point increase in CHIP matching rate
- Lowering the CHIP income eligibility cap