

## **SUMMARY OF THE ROCKEFELLER-SNOWE-KENNEDY CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) REAUTHORIZATION ACT OF 2007 (S. 1224)**

Over the last ten years, CHIP and Medicaid have been a resounding success in greatly improving children's health by expanding access to health insurance and providing the vital health care services that children need. Even with this tremendous success to date, much more progress needs to be made to ensure the health of our nation's children. The Children's Health Insurance Program (CHIP) Reauthorization Act of 2007 would extend CHIP, which expires this year, and give states the federal resources, financial stability, and flexibility necessary to sustain their current programs, reach the children who are already eligible for CHIP and Medicaid, but unenrolled, and undertake further efforts to cover more uninsured children. The Rockefeller-Snowe-Kennedy bill also includes a series of key proposals to improve children's health care that already enjoy significant bipartisan support.

When CHIP was established in 1997, the federal government made a landmark commitment to support states in covering more uninsured children. This legislation renews and strengthens that commitment. With many states already leading the charge on children's health and the additional federal support this legislation provides them, the nation will be able to take another substantial step forward toward ensuring that all of America's children have comprehensive health insurance.

Key elements of the Rockefeller-Snowe-Kennedy CHIP Reauthorization Act of 2007 include:

### **Establishing a Strong, Reliable Financing Structure for CHIP**

The CHIP Reauthorization Act of 2007 extends the Children's Health Insurance Program and provides significant new federal resources for children's health coverage. This legislation also strengthens the underlying CHIP financing structure to provide states a stable and reliable source of financing for their efforts to cover more uninsured children.

- **Provides significant new resources for CHIP.** The bill more than doubles the federal resources currently available over the next five years for covering children through CHIP. It ensures that all states have the federal matching funds needed to both sustain their existing CHIP programs and to move forward in covering more uninsured children, including the millions of children who are already eligible for CHIP and Medicaid but remain unenrolled.
- **Creates a stable, predictable funding stream for states.** To ensure that states have the stability they need to plan for their programs, the CHIP Reauthorization Act of 2007 not only increases the federal funds available to all states for CHIP, but also makes key improvements to the CHIP financing structure that target the funds more effectively. The legislation does this by adjusting states' allotments to reflect both states' current funding needs and the funding they need to make more progress in covering uninsured children in their states; explicitly incorporating health inflation and population growth into the allotment structure; guaranteeing each state an unprecedented level of stability and predictability over time in its access to federal CHIP funds; and establishing a vibrant and timely redistribution process to ensure that no state faces unanticipated shortfalls, therefore avoiding the need for the Congressional intervention required in recent years.

- **Addresses historical inequities.** The legislation also corrects other shortcomings of the original 1997 legislation by, for example, continuing and enlarging the financial flexibility now provided to states that significantly expanded Medicaid before the enactment of CHIP and updating the CHIP funding amounts for the U.S. territories, which have struggled with inadequate and arbitrary CHIP funding levels since CHIP was enacted.

### **Enrolling More Uninsured Children Who Already are Eligible for Medicaid or CHIP**

The CHIP Reauthorization Act of 2007 combines a variety of approaches to help states enroll more uninsured kids who are currently eligible for CHIP or Medicaid. In addition to raising state CHIP allotments to help states cover more of their CHIP-eligible children, the legislation recognizes that states need new tools and incentives to help them make progress in covering more of the eligible but uninsured children in their states. The legislation:

- **Gives states new tools to enroll already-eligible children.** The legislation includes an “Express Lane” eligibility option, which permits states to use the financial information gathered from other low-income programs like WIC, school lunch and other similar programs to help find and enroll (or retain) children who are eligible for Medicaid and CHIP. Express Lane legislation has been supported on a bipartisan basis in the past because it reduces the need for families to provide the same information to multiple federal and state programs. The legislation also provides an enhanced matching rate for states to improve their eligibility computer systems to make Express Lane a reality and for outreach and enrollment efforts conducted in languages other than English, recognizing the higher costs of reaching hard-to-enroll populations.
- **Provides states with additional resources to cover children reached through successful outreach efforts.** To help encourage states to improve their outreach and enrollment procedures in the CHIP and Medicaid programs, the legislation provides additional financial help with states’ coverage costs if states show strong enrollment growth in Medicaid or maintain and strengthen a successful history of reaching eligible low-income children in Medicaid and/or CHIP.
- **Offers more state flexibility to eliminate unnecessary red-tape barriers to Medicaid coverage.** There is growing evidence that eligible citizen children are being denied Medicaid coverage because of an onerous mandate on states to document the citizenship status of Medicaid applicants and current beneficiaries. In addition to other efforts to streamline and simplify enrollment procedures, the legislation gives states the discretion and flexibility they need to determine the best way to establish citizenship.

### **Providing States with New Coverage Options**

In addition to policies designed to help states enroll the children who are eligible for CHIP or Medicaid, but not yet enrolled, the CHIP Reauthorization Act of 2007 would give states the option to expand health coverage to other low-income populations. For example:

- **State option to cover pregnant women.** The legislation includes an explicit option to cover low-income pregnant women through CHIP. States already have some avenues to cover pregnant women through CHIP – the provisions in the Rockefeller-Snowe-Kennedy bill would simplify eligibility and ensure that pregnant women receive complete pre- and post-natal care.

- **State option to cover legal immigrant children and pregnant women in CHIP or Medicaid.** Prior to 1996, states had the option to provide CHIP and Medicaid to legal immigrant children and pregnant women. Legislation to restore states' flexibility to use this option – the Immigrant Children's Health Improvement Act (ICHIA) – has passed the Senate with bipartisan support several times. However, it has never been enacted into law. CHIP reauthorization provides a unique opportunity to reestablish state flexibility in this area.
- **More state discretion to cover children of state employees.** Recognizing that some states provide only very limited help to state employees in purchasing coverage for their children, the bill allows states to make these children eligible for coverage under limited circumstances.

### **Improving the Quality of Care for America's Children**

Covering more children is only meaningful if coverage gives children access to the range of services that are necessary for healthy development, including needed mental health and dental benefits. The CHIP Reauthorization Act of 2007 takes important steps to develop a child-focused quality initiative that will benefit all children and to directly improve the coverage provided to children enrolled in CHIP.

- **Strengthens the CHIP benefit package.** Although most states already cover dental benefits in CHIP, the legislation would make dental coverage a guaranteed benefit to guarantee that low-income children across the country can access dental care. The legislation also strengthens federal standards for the provision of mental health benefits in light of congressionally-mandated evaluations indicating that mental health benefits may be insufficiently available through CHIP in some places.
- **Establishes a new child health quality and access initiative.** The legislation establishes a new child health quality initiative to develop measures, operate demonstrations, provide reports to Congress, and pursue the use of health information technology for children.

### **New Tools to Better Integrate Public and Private Coverage**

Employer-sponsored health insurance coverage has eroded significantly in recent years. Not only have private coverage options decreased for children but, for those families still able to retain coverage for their children, the cost of private health insurance has continued to skyrocket. The Rockefeller-Snowe-Kennedy legislation takes steps to make it easier for states to use CHIP funds to help families purchase cost-effective and comprehensive employer-based coverage.