



## Summary of the Children's Health Insurance Program Reauthorization Act of 2009 (H.R. 2) (P.L. 111-3)

On February 4, 2009, President Obama signed the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), which reauthorizes the Children's Health Insurance Program (CHIP) and extends funding through Fiscal Year 2013. The law provides significant new funding for states to enroll additional children in CHIP.

According to the Congressional Budget Office, CHIPRA includes funding and enrollment policies that will result in the enrollment of 4.1 million additional children who are not currently covered by Medicaid or CHIP.

### Overall Funding

The legislation provides \$32.8 billion above the current baseline of \$25 billion, with national CHIP allotment levels as follows:

- FY 2009 - \$10,562,000,000
- FY 2010 - \$12,520,000,000
- FY 2011 - \$13,459,000,000
- FY 2012 - \$14,982,000,000
- FY 2013 - \$17,406,000,000

### Financing

The \$32.8 billion in additional funding will be paid for by raising the federal tax on tobacco products. Each pack of cigarettes will be subject to a 62-cent tax, with proportional tax increases on all other tobacco products.

### Eligibility Changes

CHIPRA retains much of the flexibility states currently have to set eligibility levels for children under CHIP. However, the law changes the matching rate available to states to cover children from moderate income families. The law also provides the states a new option to cover pregnant women and legal immigrant children.

- **Children.** CHIPRA limits the enhanced CHIP federal matching rate to coverage of children in families with incomes less than 300 percent of the federal poverty level. States that currently cover children at higher incomes levels are grandfathered in.
- **Legal Immigrants.** CHIPRA eliminates the five-year waiting period for legal immigrant children and pregnant women, allowing states the option to cover these populations in CHIP and Medicaid.
- **Low-Income Pregnant Women.** CHIPRA allows states to provide coverage under CHIP to pregnant women through a state plan amendment, with no waiver approval required. States can use this option up to but no higher than the state's income eligibility level for children.
- **Parents.** CHIPRA prohibits the Centers for Medicare and Medicaid Services (CMS) from approving waivers that allow states to use CHIP funds to provide coverage to parents. States with existing waivers may continue to cover this population through FY 2012 at the enhanced CHIP match rate. After FY 2012, states can continue to cover parents but it would receive a reduced federal matching rate.

- **Childless Adults.** CHIPRA prohibits CMS from approving any new waivers or renewing existing waivers that allow federal CHIP funds to be used to provide health coverage to childless adults. States that have existing waivers may continue to use federal funds to cover this population only through FY 2009.

## Outreach and Enrollment

CHIPRA includes new Express Lane Eligibility provisions to allow states additional options to enroll and retain eligible children on Medicaid and CHIP. For example, the law allows states to use relevant data from other public programs, like foods stamps, school lunch and WIC, to determine a child's eligibility for Medicaid or CHIP.

CHIPRA also establishes a new grant program to finance outreach and enrollment efforts that increase participation of eligible children in both Medicaid and CHIP, funded at \$100 million for FY 2009-2013. In each year, 10 percent of the funds (\$2 million annually) are to fund a national enrollment campaign. An additional 10 percent of the funds will be used to award grants to Indian Health Service providers and Urban Indian Organizations to enroll Native American children.

The remaining \$80 million (\$16 million annually) are dedicated to provide grants to states, local governments, schools and certain other non-profit organizations, including providers that seek to implement plans to enroll eligible children.

## Benefits

CHIPRA includes changes to CHIP coverage of dental and mental health services:

- **Dental Benefits.** Beginning October 1, 2009, CHIPRA requires state CHIP plans to include coverage of dental services. Currently, states cannot use CHIP funds to provide coverage or cost sharing assistance to children who have other insurance. The new law makes an exception with respect to dental coverage. The law allows states to provide dental-only supplemental coverage or cost sharing protections for dental coverage to otherwise eligible children.
- **Mental Health Parity.** The new law requires that if states provide coverage of mental health or substance abuse services in their CHIP plans than the financial requirements and treatment limitations for these benefits cannot be any more restrictive than those for medical and surgical benefits. CHIPRA does not require states to cover mental health services under CHIP.
- **EPSDT Services in Medicaid.** CHIPRA makes a technical fix to the DRA of 2005 to clarify that EPSDT services must be provided as part of benchmark benefit packages for children on Medicaid.

## Removal of Barriers to Enrollment

The Deficit Reduction Act (DRA) of 2005 included strict new citizenship documentation requirements for individuals seeking to enroll or remain enrolled in Medicaid. These new requirements have had a negative impact on children's enrollment in many states. While CHIPRA extends the Medicaid citizenship documentation requirements to CHIP it also provides an alternative method of proving citizenship status.

Beginning January 1, 2010, states will be permitted to document citizenship by submitting the names and social security numbers (SSNs) or individuals declaring they are citizens or nationals to the Social Security Administration (SSA). If SSA finds that the name, SSN, or the applicant's declaration of citizenship is inconsistent with its records, the state must make a reasonable effort to address the inconsistency while providing coverage to the otherwise eligible individual. If the state cannot resolve the issue, the individual would have 90 days to provide citizenship documentation to fix the problem with SSA. If the individual is not able to resolve the inconsistency, then their eligibility will be terminated within 30 days following the 90-day period.

## Performance Bonuses

In an effort to encourage states to enroll as many eligible children as possible, CHIPRA provides incentive bonuses to states that are successful at reducing the number of children who are eligible for Medicaid or CHIP, but not enrolled. To receive bonuses, states would have to implement five of eight specific enrollment and retention practices:

- Adopt 12-month continuous eligible for children
- Liberalize asset requirements
- Eliminate in person interview requirements
- Use joint application for Medicaid and CHIP
- Institute automatic enrollment renewal
- Implement presumptive eligibility for children
- Use express lane eligibility
- Provide premium assistance subsidies

## Strengthening the Quality of Care for Children

CHIPRA appropriates \$45 million over five years, FY 2009 – 2013, for the purpose of carrying out provisions of the quality improvement section.

- **Development of Child Health Quality Measures for Children in Medicaid and CHIP.** The U.S. Secretary of Health and Human Services is required to develop and provide for public comment an initial “core set” of child health care quality measures for use by states. These measures are designed to be systemic and state-level. Before 2010, the Secretary is required to report to Congress on the status of efforts to improve child health quality.
- **Advancing and Improving Pediatric Quality Measures.** The Secretary is required to establish a pediatric quality measures program before 2010. The program’s purpose is to:
  - Improve and strengthen the core set developed by the Secretary
  - Expand on existing pediatric quality measures used by public and private purchasers
  - Increase the portfolio of pediatric quality measures available to purchasers, providers, and consumers
  - The Secretary is required “to award grants and contracts for the development, testing, and validation of new, emerging, and innovative evidence-based measures for children’s health care services...”
- **Annual State Reports Regarding State-Specific Quality of Care Measures Applied Under Medicaid or CHIP.** Each state is required to report annually to the Secretary a set of state-specific child health quality measures. The Secretary is required to report on the collected information.
- **Demonstration Projects for Improving the Quality of Children’s Health Care and Use of Health Information Technology.** The Secretary is required to award grants to state and child health providers to “conduct demonstration projects to evaluate promising ideas for improving the quality of children’s health care furnished under Medicaid and CHIP.”
- **Development of Model Electronic Health Record Format for Children Enrolled in Medicaid or CHIP.** The Secretary is required to “establish a program to encourage the development and dissemination of a model electronic health record format for children enrolled...in Medicaid or CHIP.”
- **Study of Pediatric Health and Health Care Quality Measures.** The Institute of Medicine is required to “study and report to Congress on the extent and quality of efforts to measure child health

statutes and the quality of health care for children...”

### **Additional Provisions**

**Access Commission.** The law establishes a Medicaid and CHIP Payment and Access Commission (MACPAC), similar to Medicare’s MedPAC, to evaluate children’s access to care in addition to payment policies in Medicaid and CHIP. The commission will make annual recommendations to Congress, with the first set due by March 1, 2010. The commission will be composed of 17 members appointed by the Comptroller General of the United States.

**Childhood Obesity Demonstration Project.** CHIPRA provides \$25 million for FY 2009-2013 for a childhood obesity demonstration project. The law directs the Secretary of Health and Human Services, in consultation with the Administrator of CMS, to conduct a demonstration project to “develop a comprehensive and systematic model for reducing childhood obesity by awarding grants to eligible entities...”

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