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MACPAC Releases June 2014 Report to the Congress
Congressional advisory panel says CHIP funding requires two-year extension

The Medicaid and CHIP Payment and Access Commission (MACPAC) released its June report to the Congress today, recommending that Congress extend federal funding for the State Children's Health Insurance Program (CHIP) for an additional two years, to give Congress, the U.S. Department of Health and Human Services (HHS), and the states time to ensure that children continue to have a relatively high level of good health coverage.

MACPAC's recommendation comes as final allotments are made available to states on October 1, 2014. Although CHIP's authorization does not expire, the Patient Protection and Affordable Care Act (ACA) continues funding for the program, which provides health care coverage for 8 million children from low- and moderate-income families, only through fiscal year 2015.

Prior to approving the recommendation for the two-year extension in funding, the Commission assessed the implications of allowing funding to run out, leaving families with children covered by CHIP to seek coverage elsewhere through Medicaid, the exchanges, or employers, if available. Currently, however, benefits and cost sharing comparable to CHIP are not assured in the exchanges. There is also a risk that many children could become uninsured, unable to access either employer-sponsored or exchange coverage. For these reasons, Commissioners decided to recommend that CHIP financing be extended for an additional two years. They also noted the importance of using this time to address ways to integrate adequate and affordable coverage for children now covered by CHIP with other sources of coverage, given that retaining separate coverage could make health insurance overly complex for families and administratively costly to the federal government and the states.

"CHIP has been an important source of coverage for children, reducing uninsurance and promoting high quality care. The Commission's recommendation for an additional two years of CHIP funding will allow Congress to take the steps necessary to ensure children will continue to have affordable high-quality coverage," said MACPAC Chair Diane Rowland, Sc.D. According to the Congressional Budget Office, extending CHIP funding for two years would be partially offset by reductions in federal spending for Medicaid and subsidized exchange coverage.

"In the year ahead, MACPAC will focus its analyses on developing the policy options to address these issues of affordability and adequacy," said MACPAC Executive Director Anne L. Schwartz, Ph.D.

The June report's CHIP analysis is one of four chapters in MACPAC's June 2014 report examining how CHIP, Medicaid, and their interaction with the ACA affect the health and health care of low- and moderate-income families. One of these is a review of states' and the federal government's work to improve the overall health of Medicaid enrollees.

"As a long-time public health official, I appreciate the insight in this report about the critical role that Medicaid can and should play in promoting population health. The report shows how Medicaid has been using its policies and leverage with other partners to improve health outcomes, in addition to providing access to acute medical care," said MACPAC Vice Chair David Sundwall, M.D.

The June report also focuses on high-cost, high-need enrollees, exploring Medicaid's significant role in financing long-term services and supports (LTSS). Medicaid accounts for 61 percent of total national spending on LTSS, and covers LTSS for just over 4 million enrollees across the age spectrum who may have significant physical or intellectual disabilities or multiple chronic conditions.

Finally, the report examines the importance of administrative capacity to state and federal efforts to meet program requirements, promote value, and integrate Medicaid and CHIP into broader delivery system and financing reforms. As in each of MACPAC's reports to the Congress, the June report contains the standing MACStats section with comprehensive data and information on Medicaid and CHIP. This report provides new data on the health of Medicaid populations, Medicaid enrollment and benefit spending—and trends in enrollment and spending—and Medicaid managed care.

MACPAC is a nonpartisan advisory commission charged by statute with providing nonpartisan policy and data analysis to the Congress and making recommendations to the Congress, the HHS Secretary, and the states on a wide range of issues affecting these programs. To read MACPAC's June 2014 *Report to the Congress on Medicaid and CHIP* online, please visit: <http://www.macpac.gov/reports>

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