



Policy Issues in Children's Coverage: Medicaid-Expansion CHIP Programs



Medicaid and CHIP Payment and Access Commission
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Overview of presentation

- Context
- Implications on Medicaid-expansion CHIP of:
 - CHIP funding ending in FY 2018
 - Maintenance of effort expiring in FY 2020
- Discuss policy issues

Context: Coverage and funding

- Children enrolled in Medicaid-expansion CHIP are:
 - Enrolled in Medicaid and entitled to all Medicaid services
 - Financed by CHIP at the CHIP matching rate
- The income level for Medicaid-expansion CHIP is based on states' Medicaid eligibility levels in 1997
- If CHIP funding is exhausted, financed by Medicaid at the Medicaid matching rate

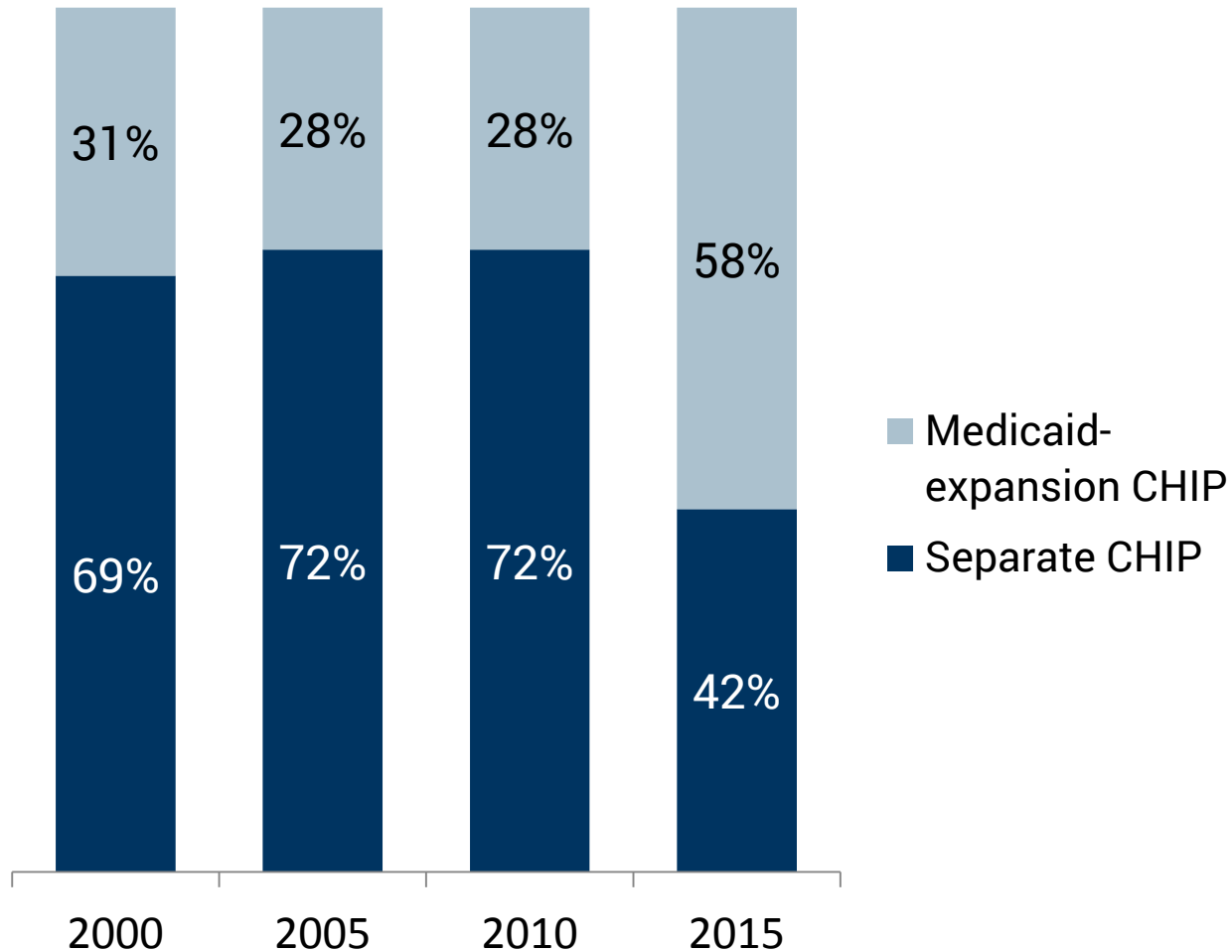
Typical range of federal matching rate for states, by program and fiscal year

Program	Prior to FY 2016	FY 2016-2019	After FY 2019
CHIP	65-82%	88-100%	65-82%
Medicaid	50-74%	50-74%	50-74%

Most enrollees in CHIP are now in Medicaid-expansion CHIP

- The ACA required transition of 6- to 18-year-olds at 100-133% FPL from separate CHIP into Medicaid
- Some states have voluntarily converted from separate CHIP to Medicaid-expansion CHIP

Child enrollment in CHIP-funded coverage



Source: MACPAC analysis of CHIP Statistical Enrollment Data System (SEDS) from CMS as of the second quarter of FY 2015.

Timeline of key policies affecting CHIP, 2010–2019

3/23/2010:
ACA enacted

- CHIP funding extended
- Maintenance of effort for children established

4/16/15:
MACRA enacted

- CHIP funding extended

10/1/17–
9/30/18

- States exhaust CHIP funding

1/1/2014

- Exchange enrollment begins
- Stairstep children required to be transitioned

10/1/15

- 23-point increase in CHIP matching rate begins

10/1/19

- Maintenance of effort for children ends
- 23-point increase in CHIP matching rate ends

Implications of CHIP funding ending in FY 2018

- Medicaid-expansion CHIP programs may not reduce eligibility levels because of the maintenance of effort
- Medicaid-expansion CHIP programs would receive the Medicaid matching rate rather than the enhanced CHIP matching rate
- 49 states, including the District of Columbia, have Medicaid-expansion CHIP enrollees and would be affected by the reduced federal share

Implications of maintenance of effort ending in FY 2020

- States may roll back Medicaid coverage, including Medicaid-expansion CHIP coverage, generally to 133% FPL
- If all states roll back eligibility to the maximum extent, 2.3 million children are projected to lose Medicaid-expansion CHIP
 - Of those 2.3 million children, 0.7 million would become uninsured
 - This is in addition to the 1.5 million who would be uninsured without separate CHIP in 2020
- Children below 133% FPL would retain Medicaid eligibility

Discussion questions

- Do the circumstances facing children covered by Medicaid-expansion CHIP affect the Commission's consideration of options for the future?
- What are the implications for state budgets of reverting to the Medicaid matching rate in FY 2018?
- How likely are states to roll back Medicaid eligibility to 133 percent FPL in FY 2020?
- What would be the implications of moving to more uniform standards nationally for children's income eligibility and enhanced federal matching?



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