



Bill Summary

CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2009 (CHIPRA)

The Children's Health Insurance Program (CHIP) currently provides health insurance for 7 million children. The initial ten-year authorization of the program expired in September 2007. Two bipartisan reauthorization bills to extend and improve the program were presented to the President, who vetoed them both. Congress was left with no choice but to pass a short-term extension of program, until April of 2009. This funding was only enough to maintain current coverage and was insufficient to allow states to reach the six million low-income children who today are uninsured but eligible for coverage.

The Children's Health Insurance Program Reauthorization Act of 2009 is an updated version of the first bipartisan reauthorization bill vetoed by President Bush (H.R. 976). CHIPRA reauthorizes the CHIP program through Fiscal Year 2013, providing sufficient federal funds to enable states to maintain their current programs and extend them to 4 million additional uninsured low-income children. The major change from the vetoed bill is the inclusion of an option for states to eliminate the 5-year waiting period for low-income uninsured children who are legally in the U.S.

Investing in New Funding for CHIP. The bill provides a four and a half year reauthorization (through FY 2013) of the Children's Health Insurance Program to strengthen the program's financing, increase health insurance coverage for low-income children, and improve the quality of health care children receive.

Lowering the Number of Uninsured Low-Income Children. The legislation will provide health coverage to an additional 4 million low-income children who are currently uninsured and will ensure that the 7 million children currently covered by CHIP continue to receive health coverage.

Improving Access to Benefits for Children (Dental Coverage/Mental Health Parity). Quality dental coverage will be provided to all children enrolled in CHIP. Coverage under CHIP will include mental health services to be provided on par with medical and surgical benefits covered under CHIP.

Prioritizing children's coverage. The legislation makes several improvements in eligibility for CHIP.

- **Pregnant Women:** New state option to cover pregnant women. Existing options to cover pregnant women through a state waiver or regulation are preserved.
- **Parents:** No new waivers to cover parents in the CHIP program will be allowed. States that have received waivers to cover low-income parents under CHIP will be allowed to transition parents into a separate block grant. The federal match for services to parents covered through CHIP will be reduced.
- **Childless Adults:** The current law prohibition on waivers for coverage of childless adults is retained. Childless adults who are currently covered will transition off CHIP. For states that have received CHIP waivers to cover childless adults, those waivers will be terminated after a one-year period. Instead, states would receive temporary Medicaid funding for already-enrolled adults and be allowed to apply for a Medicaid waiver for any further coverage.

- Legal Immigrant Children and Pregnant Women: The bill gives states the option to cover children and pregnant women lawfully residing in the U.S. and who otherwise meet state Medicaid or CHIP eligibility requirements without requiring those children and pregnant women to wait five years for needed health care.

Providing States with Stable Allotments and Incentives to Lower the Rate of Uninsured Low-Income Children. The legislation improves the CHIP financing structure, making it more stable and predictable. States will receive state-based allotments that are responsive to state demographic and national spending trends and allow additional up-front funding for states planning improvements. States that face a funding shortfall and meet enrollment goals will receive an adjustment payment to ensure that no eligible child is denied coverage or placed on a waiting list. The formula also sets in place new overall caps on federal funding to ensure the program's expenditures do not exceed the amounts authorized. The bill provides incentives for states to lower the rate of uninsured children by enrolling eligible children in CHIP or Medicaid.

Improving Outreach Tools to Simplify and Streamline Enrollment of Eligible Children. The legislation provides \$100 million in grants for new outreach activities to states, local governments, schools, community-based organizations, safety-net providers and others.

Improving the Quality of Health Care for Low-Income Children. The legislation establishes a new quality child health initiative to develop and implement quality measures and improve state reporting of quality data.

Improving Access to Private Coverage Options. The bill expands on current premium assistance options for states. It allows states to offer a premium assistance subsidy for qualified, cost-effective employer-sponsored coverage to children eligible for CHIP, who have access to such coverage. It also changes the federal rules governing employer-sponsored insurance to make it easier for states and employers to offer premium assistance programs.

Protecting Against Improper Payments for Illegal Immigrants. The bill does not allow federal funds to be used for benefits for individuals who are not lawfully residing in the U.S.

Meets Democrats' Commitment to Paygo. The legislation is fully offset over the five and ten-year budget window by raising the federal tax on tobacco products and closing a loophole in federal law whereby physicians can refer patients to facilities they own for personal gain. This is consistent with the Democratic commitment to fiscal responsibility.