

FASTFACTS

House Appropriations Committee (D)

JOE MARKOSEK, DEMOCRATIC CHAIRMAN

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Children's Health Insurance Program (CHIP) Proposed 2014/15 Budget

Pennsylvania's Children's Health Insurance Program (CHIP) provides health care coverage options to uninsured children who do not qualify for Medical Assistance (Medicaid).

Gov. Corbett's proposed 2014/15 budget assumes total state support for CHIP will increase by \$20 million, from \$130 million in 2013/14 to more than \$150 million, and federal funds will increase by \$20 million, from \$280 million in 2013/14 to more than \$300 million.

Is Pennsylvania's CHIP going away under the federal Affordable Care Act (ACA)?

No! CHIP will remain an affordable insurance option for many children in the commonwealth.

In fact, recognizing the value of CHIP, the ACA provides for enhanced federal matching funds starting in October 2015.

The ACA changes Medicaid eligibility for children ages 6 to 19 from 0 to 100 percent of federal poverty to 0 to 133 percent of federal poverty. As a result, a small portion of children currently insured under CHIP will move to Pennsylvania's Medical Assistance (MA) program by year's end, per an agreement with the federal government.

This select portion of the CHIP population that will move to the Medical Assistance program is indicated in the red segment of Chart 1.

Has CHIP enrollment declined since Gov. Corbett took office?

Yes. When Gov. Corbett took office in January 2011, the average monthly enrollment in CHIP stood at 193,262 children. April 2014 data shows average monthly enrollment at 189,823, a decline of more than 3,400 children since Gov. Corbett took office.

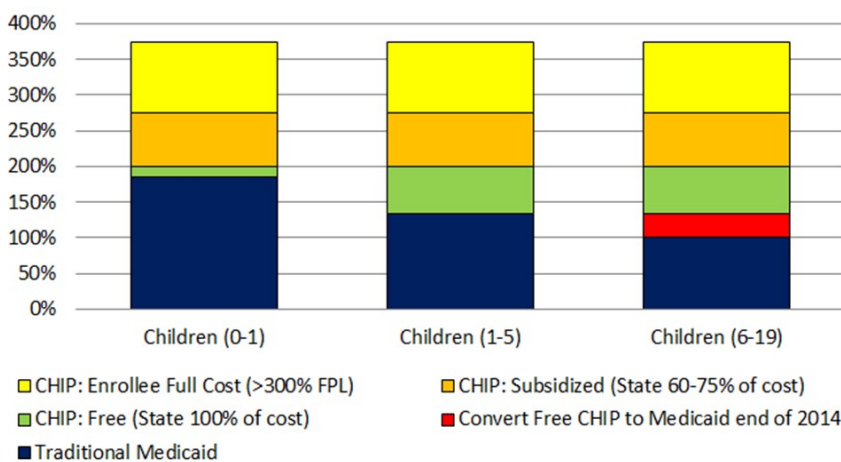
At its peak in fiscal year 2009/10, more than 196,500 children were enrolled in CHIP. See Chart 2.

Has Gov. Corbett taken actions to address CHIP's declining enrollment?

Sort of. With bipartisan pressure from the General Assembly, Gov. Corbett supported Act 74 of 2013 which removed a six-month "go-bare" waiting period for eligibility. Prior to this change, most children were required to go uninsured for a period of six months prior to enrolling in CHIP.

The 2013/14 enacted budget included an additional \$1 million which Gov. Corbett touted would be used to improve outreach and increase enrollment by 9,000 children during the fiscal year. From July 2013

Chart 1: Health Coverage Eligibility for Children in PA as Percentage of Federal Poverty Level (FPL)



to April 2014 enrollment only increased by 2,000 children.

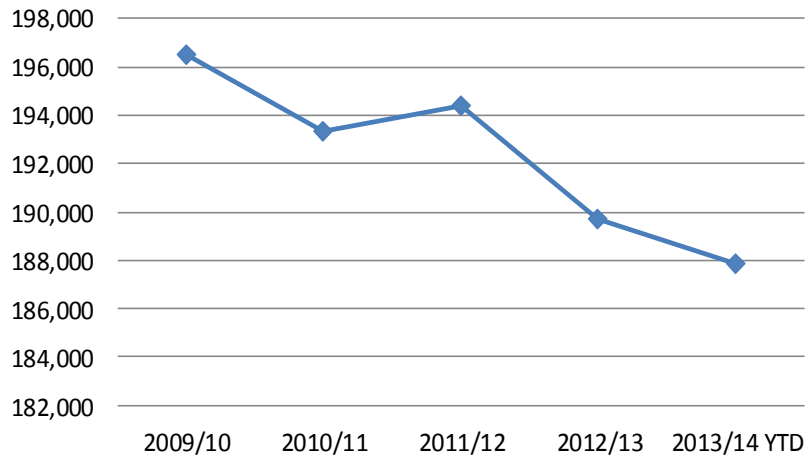
Enrollment was at its peak for the fiscal year in November 2013 - higher than July 2013 by 2,744 children.

The administration launched the main component of their public outreach efforts on March 3, 2014 - nine months into the fiscal year.

In March 2014, Pennsylvania finally received more than 6,000 applications for CHIP that were trapped in computer servers at U.S. Centers for Medicare and Medicaid Services for months. These applications were referred to the program through interactions on the health care exchange.

Any enrollment increases booked during the remainder of 2013/14 should be considered in the context of the ACA versus Gov. Corbett's CHIP outreach activities.

Chart 2: Average Monthly CHIP Enrollment



In his 2014/15 budget proposal, Gov. Corbett touts a CHIP "expansion" to cover an additional 10,419 children. Again, his rhetoric does not differentiate between additional enrollees as a result of the ACA and new enrollees attracted to the program through any Insurance Department outreach efforts.

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