

# Children's Health Insurance Program (CHIP) in Pennsylvania

## DID YOU KNOW?

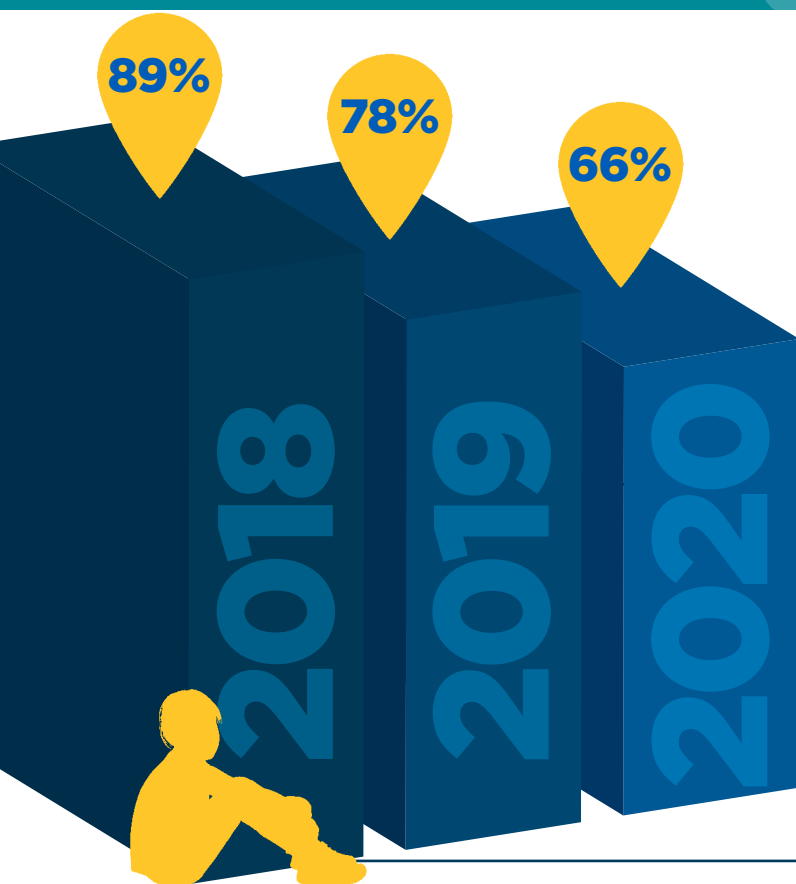
CHIP is available to uninsured kids regardless the level of family income. Income, as based on the federal poverty level or "FPL," simply determines whether a child would be covered under free CHIP or low cost or full cost CHIP with cost-sharing on a sliding scale. For most families CHIP is free which means no copays or monthly premiums. For example, the following apply based on a family of four with an annual income of<sup>1</sup>:

\$41,000	>133% and ≤208% FPL*	Free CHIP	No copays or monthly premiums
\$61,000	>208% and ≤314% FPL	Low Cost CHIP	Low cost copays and monthly premiums
\$81,000	>314% FPL	Full Cost CHIP	At cost copays and monthly premiums

<sup>1</sup>Incomes below the FPL of Free CHIP are likely eligible for Medicaid

## Overview of CHIP

- Over 181,000 children in Pennsylvania rely on CHIP for their health care.
- CHIP offers comprehensive health insurance coverage, which is provided through private insurance companies that have contracts with the commonwealth.
- Some benefits include: regular doctor visits and well visits, dental, vision and hearing services, prescriptions and mental health benefits.
- CHIP is jointly financed by the federal government and states.
- The federal medical assistance percentage – more commonly known as "FMAP" – determines the federal share for service and administration costs for Medicaid and CHIP and varies by state.



## Federal/State Matching Rate for CHIP

The Affordable Care Act (ACA) temporarily increased the federal CHIP matching rates to help states comply with the Maintenance of Effort (MOE) provision to maintain eligibility levels and enrollment procedures for kids in both Medicaid and CHIP. The MOE helped to stabilize children's coverage during a period when the health care system was facing many changes.

**The temporary increase in the federal CHIP match rate – to be phased out over the next two years – will require additional funds as the state resumes its traditional share of CHIP funding. For Pennsylvania, the current federal CHIP match rate of 89% will decrease to 78% this year and finally revert back to 66% next year, the percentage allocated prior to the ACA.**



The Governor's 2019-20 state budget proposal has factored in the phase out of the temporary boost in federal match and includes \$37.8 million in state funds to help sustain this critical program during this first year of the decreasing match. We urge state legislators to fully support this item not only in the 2019-20 state budget, but also to support additional state funds to offset the next match reduction in the 2020-21 state budget. Not having these state funds to offset the loss of federal funding for CHIP would likely mean fewer kids receiving health care.

### **State and Federal Commitment to CHIP Remains Strong**

CHIP reauthorization occurs on both the federal and state levels in order to continue providing vital health care coverage for children.

Historically, CHIP has been reauthorized at the state level every two years while timing of federal reauthorization has varied. In December 2017, the Pennsylvania legislature enacted CHIP reauthorization to be tied to the next federal reauthorization. Thanks to bipartisan congressional action, CHIP was reauthorized until 2028, which is a huge win for Pennsylvania children by providing long-term stability for health care coverage.

### **How an Undercount in the 2020 Census Would Affect CHIP**

Federal dollars that are allocated using the Federal Medical Assistance Percentages (FMAP) to support programs like CHIP are directly based on the population numbers from the Census.

It is critically important to get an accurate count of every Pennsylvania resident, including children, during the 10-year Census in 2020 so that Pennsylvania doesn't miss out on critical funds supporting our children and families.

In the 2010 Census, it is estimated that Pennsylvania had a net undercount of more than 25,000 kids under 5 years of age, costing nearly \$44 million every year in Pennsylvania FMAP funded programs<sup>2</sup>.

The 2019-20 state budget should include, at a minimum, \$1 per Pennsylvanian, or \$12.8 million to support the creation of a public fund to increase awareness and education around the 2020 Census and increase in-person outreach and assistance with the Census through efforts by the Commonwealth, local governments, and community-based organizations.



**PENNSYLVANIA  
PARTNERSHIPS  
FOR CHILDREN**

A VOICE FOR KIDS SINCE 1992

**717.236.5680 • 800.257.2030**  
200 North Third Street  
13th Floor  
Harrisburg, PA 17101-1589  
[papartnerships.org](http://papartnerships.org)

Sources:

- [https://www.chipcoverspakids.com/AboutCHIP/Documents/chip\\_income\\_chart\\_2019.pdf](https://www.chipcoverspakids.com/AboutCHIP/Documents/chip_income_chart_2019.pdf)
- <https://countallkids.org/resources/consequences-of-young-child-undercount-by-state/>