

## Consistent Coverage Helps Kids Thrive: 20 Years of CHIP

The Children’s Health Insurance Program (CHIP) provides health insurance to kids from low- and moderate-income families who are not eligible for Medicaid. This bipartisan program was first established in 1997. Like Medicaid, it is jointly funded by federal and state governments.

Medicaid and CHIP combined have helped lower the uninsured rate for Arkansas children to a historic low—just below five percent.<sup>1</sup> In Arkansas, CHIP covers about [120,000 kids](#)<sup>2</sup> annually through the ARKids First-B program. Medicaid, which covers about [three times as many kids](#)<sup>3</sup> in Arkansas, serves as the foundation of children’s health insurance coverage. CHIP builds on this foundation and extends the reach of guaranteed health coverage to additional low- and moderate-income children. Together, Medicaid and CHIP cover almost half of all Arkansas kids, and [more than half](#)<sup>4</sup> of Arkansas kids living in rural communities.

### CHIP Helps Children and Working Families

CHIP gives Arkansas children access to affordable, high-quality care, which:

- Ensures the family budget is stable. Without CHIP, many more working families would be one health crisis away from bankruptcy.
- Gives kids comprehensive, consistent access to primary and preventive care.
- Gives families access to prescriptions that children with chronic conditions—like asthma, behavioral health issues, or diabetes—require to stay healthy.<sup>5</sup>
- Allows much better access to specialists and dental care than [uninsured populations](#).<sup>6</sup>



The access to quality care that CHIP offers has many benefits beyond improved health because children enrolled in consistent coverage are ready to learn. The educational benefits include:

- Reduced high school dropout rates.
- Increased college enrollment.
- Increased four-year college [completion rates](#).<sup>7</sup>

Unlike Medicaid, however, Congress is required to periodically extend funding for CHIP. In 1997, CHIP was originally authorized for 10 years, but recent years have seen much shorter-term extensions. **Most recently, CHIP was only funded for a two-year period, which will end on September 30, 2017, unless Congress takes steps soon to ensure kids maintain uninterrupted care.** A failure to renew CHIP would hurt kids and families in Arkansas and across the U.S.

## CHIP Helps Stabilize Our State Budget

CHIP is good for state budgets, too. Like Medicaid, the federal government pays a share of the costs for CHIP services. In fact, in Arkansas, [100 percent](#)<sup>8</sup> of the costs for CHIP services are covered by the federal government.

However, if Congress does not reauthorize funding for the program, most states are expected to exhaust their CHIP funds by March 2018, [including Arkansas](#).<sup>9</sup> The current uncertainty being faced by Medicaid and CHIP programs makes it difficult for states because of the huge potential gaps in their state budgets. To ensure states like Arkansas can successfully and responsibly run the program and kids can get the coverage they need, we need a bipartisan, long-term extension of CHIP funding.

## Congress Needs to Reauthorize CHIP

Medicaid and CHIP helps kids in Arkansas stay healthy and attain the education they deserve. It keeps coverage affordable so families don't have to decide between feeding their children or taking them to the doctor. We must protect Medicaid and CHIP to ensure that no kids lose coverage and that parents have the security they need to take care of their families. One without the other leaves families in a bind and leaves states with bad choices to make up the budget gap. These programs are designed to work together, jointly ensuring that the quality, affordable health coverage families depend on is secure and stable.

### Notes:

<sup>1</sup> PRB analysis of American Community Survey PUMS (2015), U.S. Census Bureau and U.S. Census Bureau, Small Area Income and Poverty Estimates

<sup>2</sup> Kaiser Family Foundation. "Total Number of Children Ever Enrolled in CHIP Annually." Retrieved August 2017 from <http://www.kff.org/other/state-indicator/annual-chip-enrollment/>

<sup>3</sup> Kaiser Family Foundation. "Medicaid Enrollees by Enrollment Group." Retrieved August 2017 from <http://www.kff.org/medicaid/state-indicator/distribution-of-medicaid-enrollees-by-enrollment-group/>

<sup>4</sup> Karina Wagnerman et al., "Medicaid in Small Towns and Rural America: A Lifeline for Children, Families, and Communities," Georgetown University Center for Children and Families and University of North Carolina NC Rural Health Research Program, June 6, 2017, <https://ccf.georgetown.edu/wp-content/uploads/2017/06/Rural-health-final.pdf>.

<sup>5</sup> Szilagyi P et al., "Improved Asthma Care After Enrollment in the State Children's Health Insurance Program in New York," Pediatrics 117(2), February 2006, <http://pediatrics.aappublications.org/content/117/2/486.long>

<sup>6</sup> Hao Yu et al., "Role of SCHIP in Serving Children with Special Health Care Needs," Health Care Financing Review 28(2), Winter 2006-2007, <http://www.cms.gov/Research-Statistics-Data-and-Systems/Research/HealthCareFinancingReview/downloads/06-07Winpg53.pdf>

<sup>7</sup> Sarah Cohodes et al., "The Effect of Child Health Insurance Access on Schooling: Evidence from Public Insurance Expansions" (National Bureau of Economic Research, May 2014), <http://www.nber.org/papers/w20178>

<sup>8</sup> Kaiser Family Foundation. "Enhanced Federal Medical Assistance Percentage (FMAP) for CHIP." Retrieved August 2017 from <http://www.kff.org/other/state-indicator/enhanced-federal-matching-rate-chip/>

<sup>9</sup> Medicaid and CHIP Payment and Access Commission (MACPAC). 2017. "Federal CHIP Funding: When Will States Exhaust Allotments?" July 2017. Washington, DC: MACPAC. <https://www.macpac.gov/wp-content/uploads/2017/03/Federal-CHIP-Funding-When-Will-States-Exhaust-Allotments.pdf>