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Temporary CHIP funding falls short

Susan Jaffe

Despite wide bipartisan support for the Children's Health Insurance Program (CHIP), Congress agreed last week to **continue coverage** for 8.9 million children only through the end of March. But several of the program's state directors say the \$2.85 billion rescue plan won't even last that long, and federal health officials are not offering much reassurance.

"Due to a number of variables relating to state expenditure rates and reporting we are unable to say with certainty whether there is enough funding for every state to continue its CHIP program through March 31, 2018," said Johnathan Monroe, a spokesman for the federal Centers for Medicare and Medicaid Services (CMS), which oversees the program.

The aid was part of the budget legislation President Donald Trump signed into law December 22 that will keep the federal government running until January 19. CMS officials believe the \$2.85 billion for CHIP should be enough to keep the program running in all states at least until then. At that point, Congress will have to approve another funding bill to prevent a federal government shutdown.

CHIP covers children up to age 19 in families with incomes too low to afford private health insurance and too high to qualify for Medicaid. It cost the federal government \$14.4 billion last year, with states contributing just \$1.2 billion. But this year, Congress failed to renew funding, which expired September 30. CHIP has been running on diminishing funds since then.

Alabama's share of the \$2.85 billion infusion averted a planned January 1 enrollment freeze and a February 1 CHIP shutdown that would have been "a huge hardship for families," said Cathy Caldwell, director of the Bureau of Children's Health Insurance at the Alabama Department of Public Health. But now she fears that plan may take effect just a month later.

"We need Congress to continue funding in January because it looks like this new money might only be equivalent to three to four weeks' worth of funding," she said.

During conversations with congressional staffers and others in Washington, Caldwell was frequently reassured that "everybody's in support of this program," she said. "I am absolutely baffled and never thought it would come down to the wire like this."

In Virginia, the new aid will be enough to continue coverage for 68,000 beneficiaries only through January. Officials there are counting on another source funds to buy more



Eric Risberg, The Associated Press

time when CMS redistributes CHIP money that some states didn't use.

"We are waiting to learn from CMS how much additional funding we can expect to see if that gets us through February. At this point, we are still looking at shutting down at the end of January," said Linda Nablo, chief deputy director at Virginia's Department of Medical Assistance Services.

"We are relieved but it is not really sufficient funding to keep all states going for three months," said Nablo, who also managed CHIP programs nationwide during the Obama administration. "The money is available until March but that does not mean it is enough to get through March."

In Colorado, Gov. John Hickenlooper requested emergency state funding to supplement its new federal money for the state's CHIP program, which covers about 75,000 children. But the combined aid is still only enough to keep CHIP operating until February 28, said Marc Williams, a spokesman at the Colorado Department of Health Care Policy and Financing. At least that's the plan, unless the department's budget analysts say otherwise.

After Alabama's CHIP program posted a warning on its website last week about shutting down, "our phones were ringing off the hook," she said. Calls from families and CHIP advocates expressed shock and disbelief, with some promising to contact their congressional representatives. On December 12, Alabama voters surprised the nation by electing Doug Jones to the US Senate, the first Democrat to represent the state in Congress in 25 years. During his victory speech on election night, Jones called on his future Senate colleagues in Washington to fund CHIP.

Like other CHIP families across the country, Alabama beneficiaries have few good alternatives if the program closes. Some children will qualify for Medicaid, while others may

be able to get coverage through the Affordable Care Act's insurance marketplaces and may receive premium subsidies, said Caldwell. Another small portion may be able to get coverage through a parent's employer-sponsored insurance.

But subsidized ACA or job-based coverage will cost substantially more than CHIP, she said, where monthly premiums range from \$52 to \$104 per child, depending on family income. Federal law limits CHIP premiums to no more than 5 percent of family income and most states charge no premium.

Since CHIP began two decades ago, the number of American children without health insurance has dropped from 10 million in 1997 to 3.3 million in 2015.

"CHIP came about on the federal level to address the issue of the millions of uninsured children in middle-income families who could not afford private insurance," said Caldwell. Before CHIP, 20 percent of Alabama's children had no health insurance coverage. "Now it is 2.4 percent, a huge improvement, and if CHIP goes away there will be many children who become uninsured in Alabama."