

As CHIP money runs out, millions of U.S. kids may lose health care

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(HealthDay)—Time is running out for millions of American kids

covered by the Children's Health Insurance Program (CHIP).

Stopgap funding for the federal program for these kids will expire Jan. 19. Soon thereafter, states will begin to cut kids' coverage as the money runs dry, experts say.

Nearly 1.7 million children on CHIP in 20 states could lose coverage by the end of February, according to a new analysis from the Georgetown University Health Policy Institute.

"They're projecting that a number of states could lack sufficient funds to keep their programs going," said Genevieve Kenney, co-director of the Urban Institute's Health Policy Center. "They're seeing this happening in February and March, so notices closing up programs to new applicants could start going out in just a couple of weeks."

In fact, 10 states are expected to exhaust all their CHIP funds before the end of February, the Georgetown analysis concludes. The states are Arizona, Connecticut, Florida, Hawaii, Louisiana, Minnesota, Nevada, New York, Ohio and Washington, along with the District of Columbia.

CHIP covers 8.9 million children in working families across the United States, Kenney said.

"It was really designed to fill a niche that existed for families whose income was above the Medicaid eligibility threshold but still didn't have access to affordable private [health insurance](#) coverage for their children," Kenney explained. "The program targets not our poorest families, but our low-income and moderate-income working families."

Through CHIP, these kids gain "access to a usual and ongoing source of care," explained Dr. Michael Munger, president of the American Academy of Family Physicians. "That ongoing care is what really

provides for great overall health."

CHIP kids get regular well-baby and well-child visits, scheduled vaccinations, and even dental care. The program is particularly important for kids who suffer chronic illnesses such as asthma or autism, Munger said.

"The program has always shared bipartisan support," Munger said. "The fact that we're getting down to the 11th hour, we're facing a deadline of January 19 where states really will run out of money, I'm quite surprised we've gotten to this point."

CHIP has been a major public policy success, Kenney argued in an editorial published Jan. 10 in the *New England Journal of Medicine*.

In the two decades since it passed into law, uninsured rates among U.S. children have declined by 63 percent, and the gap in uninsured rates between higher- and lower-income children fell to 3.6 percentage points in 2016 from 15.4 percentage points in 1997, Kenney wrote.

CHIP has been reauthorized multiple times, most recently in 2015, but the program fell between the cracks last year for a Republican-led Congress more focused on tax reform and repeal of the Affordable Care Act (ACA), Kenney wrote.

Funding for CHIP officially expired last September. At first, the states scraped by using whatever leftover money they had to extend the program. But in December, Congress approved a \$2.85 billion "patch" to keep the program going.

Congress would have to find \$800 million to fund the program for another five years, through 2022, according to a new estimate released last week by the Congressional Budget Office (CBO).

This relatively small price tag—earlier estimates placed the five-year funding amount at \$8.2 billion—is an unintended consequence of the Republican Congress' [tax reform](#) package, which eliminated the ACA's individual mandate that every American must be insured.

Premiums are expected to increase dramatically for plans offered through the health insurance marketplaces, thanks to the end of the individual mandate.

Because of this, it will actually cost the government more to subsidize the coverage of any children who fall off of CHIP and wind up enrolled in an ACA marketplace plan, the CBO reasons. It's cheaper to keep the kids in a fully funded CHIP.

Munger said there seems to be some movement toward passing funding for CHIP, either as part of a larger budget deal or on its own, but that nothing solid has yet coalesced.

"It seems everyone you reach out to talks about the importance of it, but we're not seeing anything happen yet," Munger said.

More information: Genevieve Kenney, Ph.D., co-director, Urban Institute's Health Policy Center; Michael Munger, M.D., family physician, Overland Park, Kan., and president, American Academy of Family Physicians; Jan. 10, 2018, *New England Journal of Medicine*, online

There's more about the Georgetown University analysis [here](#).

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