

# The Children's Health Insurance Program Reauthorization Act of 2009: Implications for Mississippi

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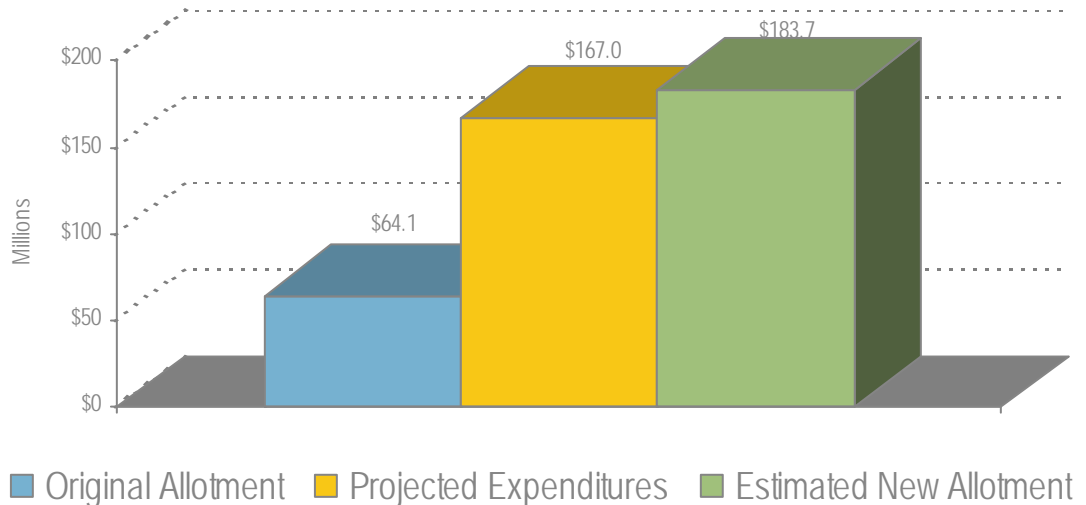
- **Background**

The Children's Health Insurance Program was reauthorized by Congress in February 2009. The new law, the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), contains significant changes in funding, benefits, eligibility, and administrative requirements and offers several new policy options.
- **Name Change**

The new law changes the official name of the State Children's Health Insurance Program (SCHIP) to the Children's Health Insurance Program (CHIP). This brief reflects this change.
- **Funding**

CHIPRA corrects the flaws in the federal funding formula that were problematic for Mississippi. (For a discussion of this issue, refer to the Technical Brief published by the Center "How the SCHIP Funding Formula Disadvantages Mississippi.") The Congressional Research Service estimates that Mississippi's allotment for FY 2009 will be 187 percent higher under the new formula: \$183.7 million instead of \$64.1 million. This rate of increase is the fifth highest of all states.

Figure 1. Mississippi's Allotments and Projected Expenditures for FY 2009



Mississippi's federal matching rate for CHIP remains the highest of all states. The FY 2009 rate is 83.09%. For every dollar spent on coverage, the federal government pays 83¢ and Mississippi contributes 17¢.

## Performance Bonuses

Under the new funding formula, future allotments will be based on past spending levels. The formula is designed to ensure states have adequate funding to maintain enrollment and to encourage states to enroll additional eligible children. States may apply to receive an increase in their allotments to expand eligibility or benefits, but this option applies only for fiscal years 2010 and 2012. A separate Child Enrollment Contingency Fund is available to provide states with supplemental dollars if they face a funding shortfall because they have exceeded enrollment targets.

The new law recognizes that most uninsured children are already eligible for Medicaid or CHIP, and that when states make efforts to enroll eligible children in CHIP, their Medicaid enrollment grows as well. As shown in the following table, in Mississippi, 3 out of 4 uninsured children are income-eligible for Medicaid or CHIP.

Figure 2. Potential Eligibility for Medicaid & CHIP for Uninsured Mississippi Children 0 - 18

<u>Category</u>	<u>Number of Uninsured Children</u>	<u>Percentage</u>
Potentially Medicaid Eligible	59,225	47.0%
Potentially CHIP Eligible (under current program)	36,373	28.9%
201% - 300% FPL (Potentially CHIP eligible under CHIPRA)	18,636	14.8%
Above 300% FPL	11,842	9.4%
Total	126,076	100.0%

Source: 2006, 2007, & 2008 Current Population Surveys. Data compiled by C4MHP.  
FPL = Federal Poverty Level

CHIPRA provides for “performance bonuses” to offset the additional costs due to such enrollment growth using a two-tiered structure. If a state exceeds its enrollment target by up to ten percent, the state qualifies for bonus payments that are fifteen percent of the projected per capita state Medicaid expenditures. States that exceed their enrollment targets by more than ten percent are eligible for a bonus payment of 62.5 percent of projected per capita state Medicaid expenditures. To be eligible for performance bonuses, states must have implemented five of the following policies:

- No asset test\*
- No face-to-face interview requirement
- Joint Medicaid/CHIP application and eligibility determination process\*
- Twelve-month continuous eligibility\*
- Streamlined administrative renewals
- Presumptive eligibility
- Express lane eligibility
- Premium assistance

*\*Mississippi has implemented these policies.*

## Eligibility

CHIPRA allows states to claim the higher CHIP federal matching rate for covering children up to 300 percent of the Federal Poverty Level (FPL). If states choose to cover children in households with incomes above 300 percent of the FPL, the matching rate is lowered to the Medicaid rate for these children. Mississippi's current eligibility level is 200 percent of the FPL. The following Census data provide estimates of coverage for Mississippi children at these income thresholds:

Figure 3. Health Coverage by Type for Mississippi Children 0 – 18 by Federal Poverty Level

Type of Coverage	Family Income as % of Federal Poverty Level				Total
	<100%	101-200%	201-300%	301%+	
Public	154,537	90,273	34,382	29,665	308,857
Private	25,485	65,932	81,364	212,456	385,237
Uninsured	54,334	41,264	18,636	11,842	126,076
Percent Uninsured	23.2%	20.9%	13.9%	4.7%	15.4%

Source: 2006, 2007, & 2008 Current Population Surveys. Data compiled by C4MHP.

The new law eliminates coverage for adults under CHIP. Those states that have enrolled adults in CHIP are required to phase out coverage. Mississippi does not cover adults in CHIP.

The Act allows states to cover pregnant women through sixty days postpartum and to remove the waiting period for legal immigrants.

CHIPRA requires applicants for CHIP to provide documentation of citizenship but allows states to document citizenship by submitting the names and Social Security numbers of applicants to the Social Security Administration for verification. States can receive a 90 percent match for expenses incurred in developing an electronic verification system with the Social Security Administration.

The "Express Lane" option provided in CHIPRA allows states to access databases of other public benefit programs – such as food stamps, TANF, or school lunch – to determine eligibility. States can rely on the income determinations of these other programs and will not be required to recalculate income or require additional documentation.

## Benefits

The Reauthorization Act makes several changes to benefit requirements under CHIP:

- Dental coverage must be provided.
- Supplemental dental-only coverage may be provided to children with private health insurance but no dental benefits.
- If mental health benefits are provided, they must not be restricted more than medical benefits.

In addition, the new law requires reimbursement to Federally Qualified Health Centers and Rural Health Clinics to be based on Medicaid's payment system.

- Outreach**

CHIPRA authorizes \$100 million to promote Medicaid and CHIP outreach and enrollment activities. Of this amount, \$10 million is allocated to a national outreach campaign. The remaining \$90 million will be awarded to eligible organizations at the state and local levels to conduct outreach campaigns. Such organizations include state and local governments, federally-qualified health centers, disproportionate share hospitals, faith-based organizations, schools, and community-based groups.
- Quality & Access Initiatives**

CHIPRA authorizes \$225 million for child health quality initiatives such as development and dissemination of a core set of child health quality measures and implementation of a standardized reporting format; establishment of a pediatric quality measures program for all children; demonstration grants to test child health quality measures and promote the use of health information technology in child health care; and development of a model electronic health record format for children in Medicaid and CHIP.
- Premium Assistance**

Many states have offered premium assistance programs in CHIP whereby the state provides parents a premium subsidy to purchase coverage through an employer's plan. CHIPRA promotes the implementation of premium assistance programs by improving coordination with private plans and easing the requirements for private plans to participate. Participation must be voluntary, and children must be allowed to enroll in direct coverage at any time. The new law also authorizes states to create a purchasing pool for employers with fewer than 250 employees and at least one CHIP-eligible child or employee. Employees can purchase coverage through the pool, and the state may subsidize premiums for those eligible for CHIP.
- Sources**

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