



COLORADO FISCAL POLICY INSTITUTE

Justice and Economic Security for *all* Coloradans

Update on State Children's Health Insurance Program (SCHIP) Reauthorization August 3, 2007

Update

Both the U.S. House and Senate passed their respective SCHIP Reauthorization packages this week. In the House, H.R. 3162, the Children's Health and Medicare Protection Act (CHAMP) passed by a margin of 225-204. In the Senate, the Children's Health Insurance Program Reauthorization Act, S. 1893, passed 68-31 with 18 Republicans joining the Democrats. Numerous amendments, both expanding and restricting coverage under the bills, were offered and defeated.

Colorado's Congressional delegation split along party lines with all Democrats voting in favor of SCHIP reauthorization packages and all Republicans voting against.

Next Steps

During the month of August, Congress will be on recess. When they return, members will be appointed to conference committee where they will iron out the differences in the two bills. The President has threatened to veto SCHIP reauthorization packages in their current form; thus, in order to reauthorize SCHIP before it expires at the end of September, Congress will have to figure out how to overcome this obstacle.

The following tables are brief summaries of the Senate and House bills. These summaries do not include all provisions of the bills and the House summary omits the Medicare portion of the bill. Sources: Center on Budget and Policy Priorities; Families USA; Congressional Budget Office; bill text.

SCHIP in Colorado

- ◇ Colorado's SCHIP program is the Children's Health Plan Plus (CHP+)
- ◇ As of June 2007, over 56,000 children and 1,200 pregnant mothers enrolled.
- ◇ An estimated 180,000 children are uninsured in Colorado. Two-thirds are eligible for CHP+ or Medicaid. One-half are in families with incomes between 200% and 300% of FPL.
- ◇ Colorado covers children in families at or below 200% of the federal poverty level. (About \$40,000 for a family of four.)
- ◇ Colorado does not cover childless adults or parents.

Senate: Children's Health Insurance Program Reauthorization Act of 2007 (S. 1893)	
New Funding Added	\$35 billion over five years.
Funding Source	Federal tobacco tax increase of \$.61 per product
Est. Number of Children Covered	4 million (CBO estimated reduction in the uninsured, SCHIP/Medicaid total)
Children's Eligibility	States covering children up to 300% of the Federal Poverty Level (FPL) will get the current (2-1) SCHIP matching rate. States that go above 300% FPL will get the reduced Medicaid (1-1 in Colorado) matching rate. States who already cover children over 300% FPL will be grandfathered.
Pregnant Women's Eligibility	Pregnant women may be covered through an amendment to the state plan rather than a waiver.
Parents' Eligibility	No new waivers will be issued for coverage of parents. States already covering parents will receive a reduced matching rate after 2010.
Childless Adults' Eligibility	No new waivers will be issued to cover childless adults. All states currently covering childless adults must transition them to Medicaid by 2009.
Legal Immigrant Eligibility	The Senate bill does not change the five year ban on legal immigrants accessing Medicaid and SCHIP.
Citizen Documentation Requirements	Will now apply to SCHIP and Medicaid, not just Medicaid. States will have the option to opt out of the Deficit Reduction Act citizenship documentation requirements and instead employ a system of matching Social Security Numbers with the Social Security Administration to verify citizenship. If the match is not confirmed, then a person has 90 days to produce valid citizen documentation before losing coverage.
State Allocations	After 2009, formula change that takes into account factors such as past and projected expenditures and the number of low-income children in the state. States will have two years to spend their funds after which time unspent funds will be directed into an Incentive pool used to provide states with a per child bonus for enrollment over a specified baseline.
Mental and Dental Coverage	Mental health parity. Grants for dental health improvements.
Outreach and Enrollment	Incentive pool created to grant bonuses to states for per child enrollment over a specified baseline. Establishes a \$100 million grant program to target outreach and enrollment to underserved and minority populations.

House: Children's Health and Medicare Protection Act (H.R.3162)

New Funding Added	\$50 billion over five years.
Funding Source	Federal tobacco tax increase of \$.45 per product; cuts to the Medicare Advantage overpayments
Est. Number of Children Covered	5 million (CBO estimated reduction in the uninsured, SCHIP/Medicaid total)
Children's Eligibility	No changes to income eligibility for children. Grants an option to states to extend Medicaid and SCHIP up to age 24.
Pregnant Women's Eligibility	No waiver needed, states can include pregnant women by amending the state plan.
Parents' Eligibility	States are not permitted to grant new waivers for parents unless the state can show that best efforts are being made to cover all children below 200% FPL and that covering parents would not result in the loss of coverage for any children.
Childless Adults' Eligibility	States that currently cover childless adults are grandfathered. Prohibits additional waivers for coverage of childless adults.
Legal Immigrant Eligibility	Makes SCHIP available to legal immigrant pregnant women and children who have been in the country less than five years.
Citizen Documentation Requirements	Creates citizen documentation requirements in the Deficit Reduction Act as a state option. States may revert back to their former methods of citizen documentation verification. If states opt to continue with the DRA citizen documentation requirements, the bill provides an extended list of acceptable documents.
State Allocations	Every two years state allocations will be rebased according to previous year's allocations, per capita health care cost increases and state children's population growth.
Mental and Dental Coverage	Mental health parity. Guaranteed dental.
Outreach and Enrollment	No designated outreach program or funding.