

February 12, 2015

Protecting & Retaining Our Children's Health Insurance Program Act

Bill Summary:

Governors and middle class families in nearly every state in the nation are relying on Congress to extend CHIP now to continue providing the millions of children who rely on CHIP age-appropriate medical coverage, including mental health and dental services, to keep them healthy.

The *Protecting & Retaining Our Children's Health Insurance Program Act* (PRO-CHIP) extends funding for the Children's Health Insurance Program (CHIP) through fiscal year 2019, protecting comprehensive health care coverage for over 10 million children and helping families retain a sense of economic security. Passing this straightforward, commonsense legislation early in 2015 will provide much-needed budget predictability for our states so they can properly plan and avoid gaps in health care for vulnerable children.

Since 1997, CHIP has been a lifeline to millions of children and families in every state across the country. Under current law, no new CHIP funding is available after fiscal year 2015, even though the program itself remains authorized through fiscal year 2019. Failure to immediately extend CHIP funding would leave millions of children uninsured or at risk of becoming uninsured. It would also mean a significant increase in cost-sharing for services, out-of-pocket costs for families, and benefit restrictions for children.

Nearly 40 governors –Republicans and Democrats – are urging Congress to extend CHIP funding to give states the certainty and predictability they need to craft state budgets.

The PRO-CHIP bill is a clean extension of the Children's Health Insurance Program Reauthorization Act (CHIPRA; Public Law 111-3).

Specifically, PRO-CHIP would:

- **CHIP Funding and Allotments:** Continues annual CHIP funding for states for four years, through fiscal year 2019.
- **Child Enrollment Contingency Fund:** Maintains the Contingency Fund through fiscal year 2019 to protect states if they experience a shortfall in CHIP funding. The Fund is only available to states when they experience a shortfall. If a state is projected to experience a shortfall, the state would receive funding in the projected shortfall amount.
- **Performance Incentive Program:** Extends the CHIP performance incentive program through fiscal year 2019 and updates the list of qualifying options. In order to qualify for an incentive payment, states must implement four out of eight possible options. The criteria include: (1) continuous eligibility for children; (2) express lane eligibility; (3) presumptive eligibility for children; (4) premium assistance; (5) elimination of waiting periods; (6) automated cost-sharing; (7) real-time eligibility determinations; and (8) elimination of premiums or lock-out periods.
- **Qualifying States Option:** Preserves the current qualifying states option through fiscal year 2019. Some states provided coverage to now CHIP-eligible children prior to the original

enactment of CHIP in 1997. The qualifying states option enables these states to access CHIP funding to continue covering this population.

- **Pediatric Quality Measures Program:** Continues ongoing efforts under the Pediatric Quality Measures Program (PQMP) to develop and refine pediatric quality measures. Given the role of Medicare in quality measurement and reporting, most nationally-endorsed quality measures are adult-focused and may not be designed to assess the quality of care children receive. The PQMP serves a vital role in developing and strengthening pediatric quality measures used by public and private payers.
- **Demonstration Projects:** Extends the Childhood Obesity Research Demonstration (CORD) through fiscal year 2019. CORD aims to encourage better nutrition and physical activity behaviors where children live and learn. Also includes up to 10 new grants under a demonstration for improving the quality of children's health care through the use of health information technology.
- **Outreach and Enrollment Grants:** Extends grants previously available under CHIP that enable state and local governments to address barriers to enrollment.
- **Streamlined Eligibility Determinations:** Maintains the express lane eligibility option and extends state ability to use cross-program information to simplify eligibility determinations through fiscal year 2019 for states that want to streamline their eligibility and enrollment processes.