

## Summary of Governors' Responses to the Bipartisan CHIP Inquiry

In July 2014, Chairmen Upton and Wyden, along with Ranking Members Hatch and Waxman, sent a letter to all governors asking for input relating to Congressional action on the Children's Health Insurance Program (CHIP). The information below summarizes the 39 responses received to date.

**Governors overwhelmingly support the extension of CHIP funding. The letter requested states indicate whether and under what time frame CHIP funding should be reauthorized.**

- **All 39 responses supported extending funding for CHIP**, noting how vital the program has been to providing affordable and comprehensive coverage to children.
- **More than half of governors (22) called for an extension of CHIP funding at least through the end of 2019.** Specifically:
  - Fifteen governors called for funding through 2019 or the end of the maintenance-of-effort period<sup>1</sup>
  - Seven governors called for funding beyond 2019
  - Another two governors requested funding for a minimum of two years but preferred funding for even longer
  - Governors from three states suggested extending CHIP funding for two years, through fiscal year 2017<sup>2</sup>
  - The remaining 11 governors did not provide a suggested length for the funding extension<sup>3</sup>
  - Governors generally agree that action should be taken in time for states' budgetary cycles.
- **To date, the annual federal allotment formula for the CHIP program has been working appropriately according to nearly all of the governors (35 of 39)—only two states indicated that the annual allotments under the formula have not been sufficient.**<sup>4</sup>

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<sup>1</sup> The Patient Protection and Affordable Care Act included a Maintenance of Effort (MOE) requirement for Medicaid and CHIP eligibility for children under age 19 through September 30, 2019. Under this requirement, in order to receive federal Medicaid funding, states are required to maintain Medicaid and CHIP eligibility standards, methodologies, and procedures that are no more restrictive than those in effect on March 23, 2010. Several states expressed concern about the impact of the MOE requirement, particularly should CHIP funding not be extended.

<sup>2</sup> This recommendation is consistent with the recommendation in MACPAC's June 2014 report.

<sup>3</sup> One state indicated that it felt like the Marketplace plans could be structured to work to meet children's needs in lieu of CHIP.

<sup>4</sup> One state did not comment on the sufficiency of the allotment, but did note that it acts similarly to a block grant. Another state indicated that a formula that allowed for greater flexibility to keep pace with state needs would be beneficial.

**CHIP coverage provides cost-sharing and benefit protections for children. The Congressional letter requested information on the costs of CHIP coverage and benefits provided, as well as how that coverage compares to other available coverage in the state.**

- **Governors reported that CHIP is more affordable to consumers than exchange or employer-sponsored coverage and generally has a richer benefit package.** All 34 governors that mentioned the cost of care to consumers indicated that CHIP coverage is more affordable than private coverage, such as that offered on the exchanges or by employers. For example:
  - Eight states did not have premiums or other cost sharing in CHIP
  - Twenty-six states had premiums and/or copayments in CHIP, but all indicated that CHIP cost sharing was less than what would be faced in private coverage
  - None of the states reported having a deductible
- Twenty-four states reported that the CHIP benefit package is more robust than benefits available in the private market, while eight states reported that the benefits were comparable.
  - Benefits that governors reported were available or more generous in CHIP included:
    - Early and Periodic Screening, Diagnostic, and Treatment, for states with CHIP Medicaid expansion programs
    - Dental, often provided without an additional policy or deductible
    - Vision services, such as eyeglasses
    - Hearing/Audiology services
    - Transportation
    - Mental health

**States also shared ideas for additional policy improvements.**

- **Governor's suggestions for federal policies changes to CHIP generally fell into three categories:**
  - **Simplifying enrollment**
  - **Increasing state flexibility**
  - **Incentive payments to states**
- The full range of state feedback is available in the complete individual state responses.