



American Academy
of Pediatrics



DEDICATED TO THE HEALTH OF ALL CHILDREN™



Protect Coverage for Low-Income Children Congress Must Act Now to Extend the Children's Health Insurance Program

The Children's Health Insurance Program (CHIP) has been a lifeline for millions of children in low and middle income working families since its bipartisan beginning in 1997. However, unless Congress takes action, there will be no new funding for this highly successful program after September 30, 2015. This would result in millions of children losing coverage or paying substantially more for less comprehensive coverage.

CHIP remains a critical source of coverage for children and pregnant women, even in the post-Affordable Care Act (ACA) landscape. The ACA was built around the success of Medicaid and CHIP, preserving them as the foundation of children's coverage in the reformed health system. States have designed their CHIP programs within broad federal parameters specifically to serve the unique needs of children and pregnant women with age-appropriate benefits, provider networks, and access to pediatric and perinatal specialists and facilities. States also have ensured CHIP's affordability for families, with robust cost-sharing protections.

Today, CHIP provides affordable, age-appropriate health coverage to 8 million children and 370,000 pregnant women who earn too much to qualify for Medicaid but who cannot afford to buy private coverage. CHIP has helped reduce the number of uninsured children by half, while also improving health outcomes and access to care for children and pregnant women, reducing school absenteeism, and improving children's readiness to learn.

The Congressional Budget Office (CBO) estimates CHIP will have more than 10 million enrollees at the time funding is currently set to end. Without Congressional action, enrollment in CHIP will decline to less than one million children in 2016, and CHIP would be eliminated entirely by 2017.

Millions of the children and pregnant women who would lose CHIP would remain ineligible for subsidized health coverage in the new health marketplace due to the “family glitch.” The Government Accountability Office estimates that up to 2 million CHIP-eligible children could lose access to health coverage, while millions more would likely get less comprehensive coverage at a significantly higher cost in the marketplace. Any of these outcomes would make today’s CHIP enrollees worse off than they are now.

We must not move backwards in our progress covering children. With states already planning their annual budgets in the face of next year’s CHIP funding cliff, we urge Congress to take action now — in 2014 — to extend CHIP funding so children do not lose ground or experience any gaps in or loss of coverage. Congress must continue fully funding CHIP until the marketplace provides children and pregnant women with coverage that is at least comparable to CHIP:

- **Affordable health coverage to encourage timely receipt of care.** Premiums and out of pocket costs in CHIP are substantially lower than those required by private insurance. Even with tax credits and other financial support available to help families purchase marketplace coverage, CHIP is significantly more affordable for families. CHIP must remain in place and be fully funded until purchasing coverage and paying for services for children and pregnant women in the marketplace is as affordable as in CHIP.
- **Age-appropriate benefits.** CHIP goes further than most commercial health plans to cover services that children and pregnant women require to reach important health and developmental milestones. This is particularly important for children with special health care needs. CHIP must remain fully funded until the qualified health plans offered in the marketplace cover the same level and breadth of services for children and pregnant women that are currently available in CHIP.
- **Access to the full range of age-appropriate health care providers, pediatric and perinatal specialists, and facilities.** Children are not little adults. They require developmentally appropriate care from providers experienced in caring for children. However, in contrast to state CHIP plans, many marketplace health plans have narrow provider networks that exclude children’s hospitals and other pediatric specialists. CHIP must remain in place and fully funded until marketplace plans provide families with access to pediatric providers and networks that are able to meet the needs of children and pregnant women.
- **Access to high quality care.** The development of pediatric and perinatal health care quality measures initiated by CHIP’s reauthorization in 2009 has already started to reduce the huge disparity between adults and children measuring the investment in quality coverage, and will continue to help improve the quality of care all children and pregnant women receive.

Endorsing Organizations:

American Academy of Pediatrics, Children’s Defense Fund, Children’s Dental Health Project, Children’s Hospital Association, Community Catalyst, Families USA, First Focus, March of Dimes, National Health Law Program, National Immigration Law Center

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