

March of Dimes Foundation

Office of Government Affairs  
1401 K Street, NW, Suite 900A  
Washington, DC 20005  
Telephone (202) 659-1800  
Fax (202) 296-2964

[marchofdimes.org](http://marchofdimes.org)  
[nacersano.org](http://nacersano.org)

## **March of Dimes Hearing Statement**

### **United States Senate Committee on Finance Subcommittee on Health Care**

#### ***The Children's Health Insurance Program: Protecting America's Children and Families***

**Tuesday, September 16, 2014**

The March of Dimes, a unique partnership of scientists, clinicians, parents, members of the business community and other volunteers affiliated with chapters in every state, the District of Columbia and Puerto Rico, appreciates this opportunity to submit testimony expressing our strong support for the Children's Health Insurance Program (CHIP) and efforts to extend CHIP funding until at least 2019. As an organization committed to the health and wellbeing of women, infants, children, and families, the March of Dimes considers CHIP to be a vital source of health care coverage for children and pregnant women.

CHIP is a critical safety net program for children and pregnant women who earn too much to be eligible for the Medicaid program, but struggle to afford purchasing health coverage in the private market. CHIP was originally established in 1997 as a federal-state health insurance program; since then it has proven to be a key tool for states' mission to increase the rate of insurance coverage among children and thereby improve child health. The program is designed as a block grant, offering states broad flexibility to set their own eligibility, benefits, and enrollment criteria. The CHIP federal match rate for the states is higher than Medicaid's, averaging 70%, giving states an additional incentive to make a comparatively modest investment of state dollars.

#### **Coverage for Children**

Through the combination of CHIP and Medicaid, states have been able to reduce substantially the number of uninsured children in our nation. In fact, since Congress created CHIP, the number of uninsured children has fallen by half—from 14% in 1997 to

7% in 2012<sup>1</sup>—and the population of uninsured children now stands at just over seven million. In 2013, CHIP provided health coverage for eight million children. CHIP provides families with access to affordable care for their children with low cost-sharing, given that out-of-pocket costs are capped at a maximum of 5% of income. In fact, many states impose no cost-sharing or premiums at all. CHIP’s benefit package is uniquely designed to meet the needs of children, including pediatric dental and vision care, hearing and habilitative services, and more. States have also been given the flexibility to adapt their CHIP programs over time to respond to specific health issues as they arise. Children enrolled in CHIP are able to access a full range of primary, specialty, and pediatric providers who provide developmentally-appropriate care. In sum, CHIP’s comprehensive coverage offers children the care they need when they need it most, improving their health and offering families peace of mind.

### **Coverage for Pregnant Women**

While CHIP’s importance for children is widely known, its coverage of pregnant women is also essential. While all states use CHIP funding to offer coverage to children, 18 states also provide access to care for pregnant women through their CHIP programs. Each year, approximately 370,000 pregnant women receive coverage through CHIP.<sup>2</sup> CHIP’s affordable coverage effectively removes barriers to pregnancy services and prenatal care. It is also important to note that since CHIP does not restrict its enrollment period, it provides a vital opportunity for many uninsured pregnant women to obtain coverage outside of an open enrollment period. Research by the March of Dimes and others has demonstrated that access to health care services for women across the income spectrum has a significant positive effect, helping ensure healthier pregnancies, healthier deliveries, and healthier babies. Women who receive prenatal care are more likely to have access to preventive services, such as screening and diagnostic tests; services to manage developing and existing health issues; and education, counseling and referral to reduce high risk behaviors like poor nutrition or substance abuse. Financial barriers, including uninsurance and underinsurance, are major reasons women do not receive adequate prenatal care,<sup>3</sup> and CHIP provides a critical pathway for accessing prenatal care for pregnant women. Further, access to early prenatal care is associated with reduced birth complications among high-risk pregnancies, which ultimately saves money due to reduced hospital and NICU admissions among infants.<sup>4,5</sup>

---

<sup>1</sup> Rudowitz R, Artiga S, Arguello R, *Children’s Health Coverage: Medicaid, CHIP and the ACA*. Kaiser Commission on Medicaid and the Uninsured, Kaiser Family Foundation, March 2014) Accessed 9/16/2014 at: <http://kff.org/health-reform/issue-brief/childrens-health-coverage-medicaid-chip-and-the-aca>.

<sup>2</sup> March of Dimes Issue Brief, *CHIP Coverage for Pregnant Women*. Nikki Garro, 2014.

<sup>3</sup> Kitsantas P, Gaffney KF, Cheema J. Life stressors and barriers to timely prenatal care for women with high-risk pregnancies residing in rural and nonrural areas. *Women’s Health issues*. 2012;22(5):e455-60.

<sup>4</sup> Reece EA, Lequizamon G, Silva J, Whiteman V, Smith D. Intensive interventional maternity care reduced infant morbidity and hospital costs. *J Matern Fetal Neonatal Med*.2002;Mar11(3):204-210.

<sup>5</sup> Ross MG, Sandhu M, Bernis R, et al.. The West Los Angeles preterm birth prevention project II. Cost-effectiveness analysis of high risk pregnancy interventions. *Obstet Gynecol*. 1994;83(4): 506-511.

CHIP provides coverage for pregnant women up to at least 185% of the federal poverty level, though most states cover women up to higher income levels.<sup>6</sup> States have flexibility in the mechanism they choose to offer this coverage to pregnant women, as well as flexibility in designing their benefit packages. Twelve of 18 states who cover pregnant women through CHIP require no copays, premiums, or other cost-sharing. The remaining states only require copayments or premiums for higher-income pregnant women. States may offer either a full scope of comprehensive health care benefits or more limited coverage specific to services that are pregnancy-related—including those services that could result in pregnancy complications if not treated. All 18 of these states cover prescription drug services, and most cover other services such as mental health and emergency care. In addition, nearly all of these states offer a limited period of post-partum transition care.<sup>7</sup> States like California have seen a significant reduction in statewide preterm birth rates in recent years, and it is thought that their efforts to provide prenatal care through multiple programs, including CHIP, have been an important contributing factor. Again, CHIP plays a key role in states' strategy to ensure healthier babies and mothers.

### **CHIP Extension**

While CHIP's authorization period extends through 2019, the program's funding only extends through September 2015. Congress must act as soon as possible to ensure seamless coverage for families, as well as certainty for states' budget processes. If CHIP funding expires, some children will be able to gain coverage through states' Medicaid expansion programs or the Affordable Care Act Marketplace. But recent projections show that many could be left without any affordable options.<sup>8</sup> Our nation must not allow the rate of uninsured children to climb again to pre-CHIP levels when we have the tools at our disposal to keep children healthy. CHIP has proven to play a critical role in our nation's effort to provide access to quality, affordable care for children and pregnant women. Given the demonstrated benefit of CHIP for children and pregnant women, the March of Dimes strongly urges Congress to extend funding through 2019.

Once again, the March of Dimes appreciates this opportunity to express our strong support for the Children's Health Insurance Program and efforts to extend funding for it. If we may provide further information or otherwise be of assistance, please contact Steffany Stern in our Office of Government Affairs at 202/659-1800.

---

<sup>6</sup> March of Dimes Issue Brief, *CHIP Coverage for Pregnant Women*. Nikki Garro, 2014.

<sup>7</sup> March of Dimes Issue Brief, *CHIP Coverage for Pregnant Women*. Nikki Garro, 2014.

<sup>8</sup> First Focus, *Comparing Affordability and Benefits between CHIP and Qualified Health Plans in 35 States: Which Coverage is Best for Kids?*, 2014. <http://firstfocus.net/resources/fact-sheet/comparing-affordability-benefits-chip-qualified-health-plans-35-states-coverage-best-kids/>