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What Are the Consequences of Congressional Delay on CHIP?

by Tricia Brooks, Joan Alker, and Karina Wagnerman

Key Findings

- **The children most at risk of losing CHIP coverage soon are likely those who reside in states running out of funds quickly with separate CHIP programs.** At least six states—Arizona, California, the District of Columbia, Minnesota, Ohio and Oregon—are predicting they will run out of money by the end of the year or early in January. At least six other states—Colorado, Pennsylvania, Texas, Utah, Virginia, and Washington—have announced their intention to take action before the end of the year even if their funding is not running out then. While the federal government has paid out some emergency funds, the money available for redistribution won't last more than a month or two. Arizona, Colorado, Pennsylvania, Texas, and West Virginia are among states with laws that could make it hard to continue CHIP without Congressional action.
- **Predicting precisely when states will run out of money is virtually impossible. Most states operate in a capitated environment, meaning they must make per-child payments to health plans a month in advance.** This is just one of the details that complicate the assessment of when a state will run out of money. Other factors, like surges in enrollment due to a successful back-to-school outreach campaign or a hurricane, could result in a state depleting its allotment more quickly.
- **States cannot wait until they totally exhaust federal CHIP funds to take action. Program changes, including notifying families and other stakeholders, take time and money.** Colorado estimates that it will cost the state $300,000 to turn enrollment on and off, which would further deplete remaining funds. Even states with funding lasting into early 2018—including Colorado, Texas, Virginia, Utah, and Washington—plan to send notices in November or December. Utah has already submitted a state plan amendment to close down its program to hedge against Congressional inaction. Past experience shows that even temporary enrollment freezes are likely to cause significant declines in child enrollment.
- **Delays in CHIP funding create unnecessary chaos and confusion for states and families.** Inaction by Congress costs states time and money as officials grapple with various "what if" scenarios and develop contingency plans to meet their responsibilities to notify families, managed care plans, providers, and other stakeholders of any changes to their state CHIP programs. Even if Congress eventually funds CHIP, children are likely to fall through the cracks due to the uncertainty caused by the delay in funding.

The Children's Health Insurance Program (CHIP) was created in 1997, with strong bipartisan support, to cover uninsured children whose families do not qualify for Medicaid but lack access to affordable private insurance. Medicaid is the foundation of children's coverage; there were more than 37 million children receiving health care through Medicaid in 2016.[1] CHIP, which provided health care to nearly 9 million children in 2016, built on Medicaid's success and sparked a national effort to reduce the rate of uninsured children. More recently, the Affordable Care Act (ACA) has contributed to the increase in health coverage for children. As a result of Medicaid, CHIP, and the ACA, the rate of uninsured children reached a historic low of 4.5 percent in 2016.[2]

CHIP is financed as a block grant, providing a defined allotment for a defined period of time to states that they draw down and match with their own dollars. Since CHIIP was enacted in 1997, federal funding for it has been extended several times, most recently through the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015. However, Congress allowed CHIP funding to expire on September 30, 2017 and as of the date of publication, CHIP remains unfunded. This unprecedented lapse in funding puts children who depend on CHIP at risk.[3] States are quickly running out of funds leftover from prior allotments. What actions states may take and when depends not only on how quickly they will exhaust any remaining funds but also on a number of other circumstances, including the design of their programs, state laws governing CHIP, state budgets, and whether children enrolled in CHIP-funded Medicaid will be protected by the current maintenance of effort (MOE) provision (see additional information on the MOE below).

It is impossible to predict precisely when a state will run out of money.

The Medicaid and CHIP Payment and Access Commission (MACPAC) and Centers for Medicare & Medicaid Services (CMS) have made state-by-state projections (although CMS has not released its estimates), while the Kaiser Family Foundation has reported data collected from states through its annual state Medicaid budget survey. This brief started with available information on states most at risk of running out of federal funding and sought information to update the most current status in those states. One notable finding was that, the projected month does not mean the state has sufficient funds to provide coverage for the full month, which is important because most CHIP programs operate through managed care, and states are expected to pay health plans their full monthly capitation rates in advance.

Unpredictable Factors: Hurricanes in Texas and Florida

Both Texas and Florida face unpredictability in their CHIP expenditures as a result of the serious impacts of Hurricanes Harvey and Irma. More children may become eligible if their families have lost income or employment as a result of the hurricanes. To remove barriers to enrollment, Texas suspended its CHIP annual enrollment fees for families in affected counties, which may help bring in eligible children in need of coverage and draw down federal funds more quickly.[4] Florida very recently reversed course and will seek a waiver to eliminate premiums for families in counties affected by Irma after a sharp enrollment drop. The state estimates this will increase federal spending by $6.2 million.[5] This may deplete the state's federal allotment more quickly—the state had been predicting it would run out in January.[6]

The projections also do not consider the costs states will incur when they initiate steps to freeze enrollment or close CHIP as the federal money runs outs. In reality, projections are a moving target that can be impacted by a number of factors, including a lag in provider claims submission or events such as a successful back-to-school outreach push or a natural disaster that drive up enrollment.

Unused federal funds available for redistribution will provide funding for only an extra month or two.

In the absence of renewed funding for CHIP, current law directs CMS to redistribute unused funds from prior fiscal years on a proportional basis to all states as they deplete any available allotment from the past two years.[7] Both MACPAC and CMS have estimated the amount of additional funds that may be available. However, CMS has not publicly disclosed how much money would go to each state or the timing for distribution of the funds, although it has notified states that redistribution will be made available in one-

month increments. Recently, the first of those redistributions was made to five states. Arizona received $21.8 million, California $176.9 million, Minnesota $3.6 million, Washington $10.4 million, and Oregon $14.2 million.

Even with the redistribution of funding from CMS, Oregon's CHIP program will only be funded through mid-December, and the state is already making plans if Congress does not act. A state official in Oregon explains:

> **"Oregon has been informed by CMS that we are eligible for about $51 million in redistributed CHIP funds in federal FY 2018. We have received $14.2 million that will maintain our projected CHIP expenses through October. We have further informed CMS that we will need an additional $23.8 M to maintain CHIP coverage through November. The remaining $13 million (of the $51 M redistribution) would last us until some point in mid-December, depending on exact enrollment trends over the next 2 months. The (state) agency will be engaging with relevant legislative bodies in the coming months to further evaluate state options in the event that Congress does not extend CHIP funding before Oregon runs out of its federal funding."** [8]

At least six states will likely run out of money by the end of the year or early in January (see Figure 1).

Projections continue to evolve as expenditure data is updated and states get closer to exhausting their allotment plus available redistribution funds. Nonetheless, nearly two-thirds of states are estimated to run out of funds in five months or less—before the end of March 2018. Among the five states that received redistributed funds, Arizona, Oregon, and Minnesota will exhaust CHIP funds sometime in December. Although Ohio has not yet received redistributed funds, the state has also said that it will run out of CHIP funds before the end of the year.[9] Funding for California and the District of Columbia may stretch into January. Connecticut, Florida, and Texas are also projecting they will run out of funds sometime in January. Children enrolled in CHIP in these states, especially those in separate CHIP programs, are at imminent risk of losing coverage by the end of the year or soon thereafter.

Figure 1. CHIP-funded Enrollment in States that Will Run Out of Funds Before or Shortly After December

State	CHIP-funded Medicaid Enrollment, FY 2016	Separate CHIP Enrollment, FY 2016	Total CHIP-funded Enrollment, FY 2016
Arizona	85,017	3,207	88,224
California	1,904,197	118,016	2,022,213
District of Columbia	13,893	50	13,943
Minnesota	555	3,321	3,876
Ohio	223,583	0	223,583
Oregon	42,311	98,475	140,786
Total	**2,269,556**	**223,069**	**2,492,625**

Notes: The enrollment data reflect children ever enrolled during the year. For additional notes on the data, see the source. CHIP enrollment in Arizona is likely higher today than in these data because the CHIP program was reopened in July of 2016. Several states that cover all of their CHIP-funded children in Medicaid also have enrollment in separate CHIP programs that cover pregnant women directly or through the unborn child option.

Source: These states were selected based on communication with state officials or state health policy organizations. Enrollment data is from Medicaid and CHIP Payment and Access Commission, "Child Enrollment in CHIP and Medicaid by State" (Washington: Medicaid and CHIP Payment and Access Commission, 2017), available at https://www.macpac.gov/publication/child-enrollment-in-chip-and-medicaid-by-state/.

Even states that are not running out of federal CHIP funds in 2017 are taking various actions by the end of the year.

Considering the ongoing assessment of when a state will exhaust federal funds in context with specific state requirements, other states have initiated action in anticipation of Congressional inaction. Figure 2 represents only a sample of states, as not all states were surveyed for this report.

Figure 2. Impact/Action

State	Projected Month CHIP Funds Will Run Out	Impact/Action
Colorado	February 2018	Plans to notify families in mid- to late December that coverage will end January 31.
Pennsylvania	February 2018	State authorization for CHIP expires December 31, 2017. State lawmakers have expressed concern at extending CHIP before Congress acts.
Texas	January 2018	Anticipates sending notices in December as state law ends Texas' CHIP program when federal funds are no longer available and requires at least a 30-day notice.
Utah	February 2018	Has submitted a state plan amendment to CMS to close its program. Plans to send notices to families in early November.
Virginia	February 2018	Anticipates that January will be the last month it can pay capitation rates to managed care plans. Intends to send notices to families on December 1.
Washington	February 2018	Plans to send notices to families in December.

State laws will be a factor in state decisions and actions.

Arizona's state law calls for closing its CHIP program if federal funding falls below current match rates. West Virginia will close its program depending on the size of its federal allotment. The upper income range of Colorado's CHIP programs (206 to 250 percent of the federal poverty level) is financed by a provider fee that is contingent on federal funding. And Pennsylvania's CHIP program has to be reauthorized periodically; its current authorization expires on December 31, 2017. Lawmakers there have expressed concern over passing a bill to extend their state program until final approval from Congress occurs.

The structure of a state's CHIP program will impact the actions they take if Congress does not act before funds are depleted.

States have flexibility in designing their CHIP programs. They can operate a free-standing or separate CHIP program completely independent of the Medicaid program. These programs have their own administrative structure, eligibility processes, plan and provider enrollment systems, and quality assurance mechanisms. Or they can enroll their CHIP-eligible children in Medicaid, which avoids duplicative administrative structures and systems. Most commonly, states use a combination of these two approaches. Thirty-four states operate a combination program for CHIP-eligible children while 15 states have opted to enroll these children in Medicaid.[10] Just two states operate only a separate CHIP program.

If states exhaust CHIP funds, children enrolled in CHIP-funded Medicaid may be protected by the current Maintenance of Effort (MOE) requirement.

When the Affordable Care Act was enacted, Congress chose to protect the success of Medicaid and CHIP coverage for children, knowing that it would be a time of significant change in the health coverage system. The MOE requires states to maintain their current eligibility levels and enrollment procedures through 2019.[11] However, the law expressly provides an out for states with separate CHIP programs that exhaust their federal funding allotment. While the previous administration held that CHIP-funded Medicaid expansions would continue to be subject to the MOE,[12] the new administration has not issued an official opinion on this question. Additionally, the administration could try to waive the MOE provision for CHIP-funded Medicaid expansions relying on Section 1115 authority.

Continuing Medicaid for CHIP-funded children without the higher federal CHIP matching rate will have significant budget implications for almost all states.

Forty-nine states have some children covered in CHIP-funded Medicaid expansions. Once CHIP funds are exhausted, states with these expansions will experience budget shortfalls when the federal matching rate drops significantly from the enhanced CHIP FMAP to regular Medicaid FMAP.[13] For example, a state with the lowest FMAP rates would receive a 50 percent Medicaid match rate compared to 88 percent under CHIP.

Half of CHIP Kids Live in Five States

In addition to states that will be impacted in 2017, we examined what happens in states with the largest CHIP enrollment because it would affect millions of children. Figure 3 shows the top five states with the largest CHIP enrollment. Almost one-quarter of all CHIP-funded enrollees live in California. Among children enrolled in a separate CHIP program, one-fifth live in Texas and more than one-tenth live in Florida. California, Florida, and Texas are particularly important because they are both impacted very early in 2018 and are among the five states with the highest enrollment.[14] Florida and Texas are projecting they will exhaust federal funds in January, though as discussed above, their allotments may run out more quickly.

Figure 3. States with the Largest Number of CHIP-funded Enrollees

State	CHIP-funded Medicaid Enrollment, FY 2016	Separate CHIP Enrollment, FY 2016	Total CHIP-funded Enrollment, FY 2016	Proportion of National Separate CHIP Enrollment	Proportion of National CHIP Enrollment
California	1,904,197	118,016	2,022,213	3%	23%
Texas	355,600	719,612	1,075,212	20%	12%
New York	259,649	424,976	684,625	12%	8%
Florida	173,181	201,703	374,884	5%	4%
Pennsylvania	103,951	238,317	342,268	6%	4%
Total	**2,796,578**	**1,702,624**	**4,499,202**	**46%**	**51%**

Notes: The enrollment data reflect children ever enrolled during the year. For additional notes on the data, see the source. Several states that cover all of their CHIP-funded children in Medicaid also have enrollment in separate CHIP programs that cover pregnant women directly or through the unborn child option.

Source: Medicaid and CHIP Payment and Access Commission, "Child Enrollment in CHIP and Medicaid by State" (Washington: Medicaid and CHIP Payment and Access Commission, 2017), available at https://www.macpac.gov/publication/child-enrollment-in-chip-and-medicaid-by-state/.

States will face especially difficult choices with respect to children in separate CHIP programs because funding for those children would stop entirely.[15]

In response, states may freeze new enrollment, disenroll current beneficiaries, and/or decide to drop optional groups, such as lawfully residing immigrant children, if implemented after MOE went into effect. Nationally, more than 40 percent of the 9 million CHIP-funded enrollees are covered through separate CHIP programs (see Appendix Table 1). These children face the highest risk of losing coverage, and those in states with money running out more quickly face the most imminent threat.

Planning for and implementation of even temporary changes will further deplete resources and could have a lasting impact on enrollment.

If states are forced to close CHIP, they must decide how and when to stop enrolling any newly eligible children and what process they will follow to disenroll current enrollees. Dealing with enrollment and disenrollment leads to a significant number of decisions and actions; key ones are described below.

Even temporary enrollment freezes will lead to potentially significant drops in enrollment.

Closing CHIP enrollment to new applicants can be accomplished in two ways: by freezing or capping enrollment. When states freeze enrollment, no new applicants are enrolled and, over time, attrition of current enrollees results in coverage for fewer children. States can also cap enrollment at a certain number. As children leave the program, new children can be enrolled up to the enrollment cap. Past experience has clearly demonstrated that enrollment freezes result in chaos, confusion, and rapid disenrollment. After Arizona froze its CHIP program in December 2009, enrollment fell by more than 60 percent from about 46,900 to 17,600 by July 2011. Similarly, in North Carolina, enrollment fell by nearly 30 percent from about 72,000 to 51,300 when the state froze enrollment between January and October 2001.[16]

Disenrollment will result in gaps in coverage or children becoming uninsured altogether.

States also have options in how they might end coverage for currently enrolled children: by phasing out disenrollment at a child's annual renewal or other time the child's eligibility may change or by disenrolling all children at a given point in time. Unfortunately, it is not likely that states have sufficient funding to phase out coverage at renewal or through attribution. While some families may be able to enroll their children in other coverage, if CHIP funding is not renewed an estimated 1.2 million children would likely become uninsured, increasing the uninsured rate among children by 37 percent.[17]

The Marketplace is not an adequate substitute for CHIP and many CHIP families will not qualify for subsidies.

While the Marketplace is often cited as an alternative to CHIP, research indicates it is not a good substitute for children both in terms of affordability and benefits. Moreover families with access to what is "deemed affordable" employer-based coverage are not eligible to receive financial assistance to purchase Marketplace coverage.[18]

States must take actions before they run out of money.

If states are forced to shut down programs, even temporarily, there are a multitude of actions that must be taken, which require planning and lead-time before implementation. The cost of these actions will further reduce funding available to states to provide health care to children.

- **Notices to families, providers and other stakeholders**

  Sending notices to families is a big step that, even if later rescinded, can result in confusion and some loss of coverage due to the "unwelcome mat effect" when families do not sign up or renew coverage because they believe the program is closed. However, it is arguably the most important action necessary to give families sufficient notice to explore other coverage options for their children. There are no federal CHIP rules on how much advance notice must be given before disenrollment, only that it must be reasonable. However, Medicaid rules define reasonable notice as 10 days, while some states require a 30- or 60-day notice before disenrollment. States know that losing coverage for their children will be upsetting and challenging, so families need time to try to find affordable options. For example, Washington plans to send notices on December 1 even though the state is not expected to run out of funds until sometime in February.

  In addition to notifying families, states must put health plans and providers on alert for potential program changes. Other stakeholders, including outreach partners and navigators or enrollment counselors who connect consumers to coverage, must also be informed of the actions the state plans to take.

- **Prospective managed care payments**

  Notably, projections only indicate the month the state will exhaust available funds, not whether the funding is sufficient for the entire month. This is important because most separate CHIP programs use a managed care delivery system, which typically requires prospective capitation payments on or before the first day of the

coverage month. So states that run out of funds sometime in January would not be able to comply with their contractual obligations. Thus, the last full month of funding will most likely be the prior month. For example, even though the District of Columbia will technically exhaust funding in January 2018, it estimates that it will need to receive its final allotment in December to make a full prospective capitation payment to managed care organizations in January, an issue that will impact other states as well.[19]

- **System changes and coordination with the Marketplace** Eligibility and enrollment system changes take time and cost money. Colorado estimates that a "magic switch" to close enrollment and reopen it will cost $300,000. While most states that operate their own Marketplace system have integrated eligibility systems that triage eligibility among coverage sources, 39 states rely on the federal Marketplace, which sends electronic account transfers to states for applicants who are eligible for either Medicaid or CHIP. The federal Marketplace's enrollment system, known as healthcare.gov, will need to be updated to reflect changes in CHIP eligibility but typically such logic changes are scheduled on a quarterly basis. It is not clear how much lead-time is needed to reprogram healthcare.gov for temporary or permanent changes in CHIP eligibility if states freeze their programs. And timing could not be worse considering that open enrollment starts in a few days.

Conclusion

Congress' failure to renew CHIP funding leaves children at risk for loss of or gaps in coverage. Since all but two states have at least some children in CHIP-funded Medicaid expansions, states face not only uncertainty about the future of CHIP but also significant budget impacts if federal funding reverts to regular Medicaid matching rates. Projecting when states will exhaust CHIP funds is a moving target, but states cannot wait until the last dollar is spent. The need to notify families and other stakeholders, to calculate how long they can make prepaid capitation rates to managed care plans, and to make modifications to systems to reflect changes in CHIP eligibility means that impacts will likely be felt as early as November 2017.

Only once in CHIP's 20-year history has funding for CHIP lapsed temporarily: after President George W. Bush twice vetoed reauthorization. At that time, funding lapsed for no more than five days before Congress provided a series of short-term financing patches that bridged funding gaps until CHIP was reauthorized in 2009 under President Obama. The current lack of action in Congress is unprecedented and puts at risk the nation's success in covering children. A long-term and expeditious extension of CHIP is critical to preserve and protect the nation's historic achievement in covering more than 95 percent of children.

Appendix Table 1. CHIP Enrollment by Program Type and State, FY 2016

State	CHIP-funded Medicaid Enrollment	Separate CHIP Enrollment	Total CHIP-funded Enrollment
Total	5,228,200	3,671,874	8,900,074
Alabama	53,390	96,650	150,040
Alaska	15,662	0	15,662
Arizona	85,017	3,207	88,224
Arkansas	47,375	73,488	120,863
California	1,904,197	118,016	2,022,213
Colorado	90,998	76,229	167,227
Connecticut	0	25,551	25,551
Delaware	162	17,622	17,784
District of Columbia	13,893	50	13,943
Florida	173,181	201,703	374,884
Georgia	65,102	166,948	232,050
Hawaii	25,780	0	25,780
Idaho	7,946	28,018	35,964
Illinois	123,919	202,071	325,990
Indiana	78,303	36,624	114,927
Iowa	21,911	63,078	84,989
Kansas	16,013	63,306	79,319
Kentucky	54,692	38,036	92,728
Louisiana	147,894	13,671	161,565
Maine	14,242	9,015	23,257
Maryland	137,592	0	137,592
Massachusetts	71,841	113,737	185,578
Michigan	77,387	5,306	82,693
Minnesota	555	3,321	3,876
Mississippi	32,953	55,578	88,531
Missouri	49,586	38,204	87,790
Montana	14,158	30,530	44,688
Nebraska	52,150	2,891	55,041
Nevada	24,104	44,847	68,951
New Hampshire	17,946	0	17,946
New Jersey	101,214	129,746	230,960
New Mexico	15,081	19	15,100
New York	259,649	424,976	684,625
North Carolina	145,590	110,856	256,446
North Dakota	0	4,955	4,955
Ohio	223,583	0	223,583
Oklahoma	177,157	10,814	187,971

Appendix Table 1. CHIP Enrollment by Program Type and State, FY 2016 (cont'd)

State	CHIP-funded Medicaid Enrollment	Separate CHIP Enrollment	Total CHIP-funded Enrollment
Oregon	42,311	98,475	140,786
Pennsylvania	103,951	238,317	342,268
Rhode Island	34,815	1,447	36,262
South Carolina	81,574	0	81,574
South Dakota	14,080	4,427	18,507
Tennessee	16,056	89,934	105,990
Texas	355,600	719,612	1,075,212
Utah	29,143	29,267	58,410
Vermont	5,305	0	5,305
Virginia	89,856	102,975	192,831
Washington	0	66,517	66,517
West Virginia	17,258	30,929	48,187
Wisconsin	96,454	75,098	171,552
Wyoming	1,574	5,813	7,387

Notes: The enrollment data reflect children ever enrolled during the year. For additional notes on the data, see source below. CHIP enrollment in Arizona is likely higher today than in these data because the CHIP program was reopened in July 2016. Several states that cover all of their CHIP-funded children in Medicaid also have enrollment in separate CHIP programs that cover pregnant women directly or through the unborn child option. Additional information on enrollment by congressional district is available on the Center for Children and Families' website at ccf.georgetown.edu.

Source: Medicaid and CHIP Payment and Access Commission, "Child Enrollment in CHIP and Medicaid by State" (Washington: Medicaid and CHIP Payment and Access Commission, 2017), available at https://www.macpac.gov/publication/child-enrollment-in-chip-and-medicaid-by-state/.

Endnotes

[1] Centers for Medicare and Medicaid Services, "2016 Number of Children Ever Enrolled" (Baltimore: Centers for Medicare and Medicaid Services, February 2017), available at https://www.medicaid.gov/chip/downloads/fy-2016-childrens-enrollment- report.pdf.

[2] Joan Alker and Olivia Pham, "Nation's Uninsured Rate for Children Drops to Another Historic Low in 2016" (Washington: Georgetown University Center for Children and Families, September 2017), available at https://ccf.georgetown.edu/wp-content/uploads/2017/09/Uninsured-rate-for-kids-10-17.pdf.

[3] CHIP funding expired in December 2007 for 5 days after President Bush vetoed its reauthorization twice. Between September and December 2007, Congress enacted three short term patches. For more information, see Children's Defense Fund, "Timeline of SCHIP Reauthorization" (Washington: Children's Defense Fund, 2007), available at http://www.childrensdefense.org/library/data/timeline-SCHIP-reauthorization-2007.pdf.

[4] Texas officials have recently reported that they may now run out of funds in January. See http://kut.org/post/texas-will-run-out-chip-money-sooner-expected-because-hurricane-harvey.

[5] "With 4,000 families possibly losing health insurance after Irma, state may ask for help," *Miami Herald*, October 20, 2017.

[6] Email communication with Rebecca Matthews, CEO, Florida Healthy Kids, October 11, 2017.

[7] States are allowed to carryover and use residual funds from the prior two fiscal year allotments. However, the current law only gives states access to two-thirds of any unspent allotment from FY 2017.

[8] Email communication with Tim Sweeney, Division of Health Policy and Analytics, Department of Human Services and Oregon Health Authority, October 12, 2017.

[9] Correspondence with Jenelle Hoseus, Medicaid Chief of Staff, October 13, 2017.

[10] Six of the 15 states that cover all of their CHIP-funded children in Medicaid also have small separate CHIP programs, which cover pregnant women directly or through the unborn child option. Five states that operate only Medicaid-expansion CHIP programs for children (Michigan, Minnesota, Nebraska, Oklahoma, and Rhode Island) also have separate CHIP programs to cover the unborn child option, which provides prenatal care for the pregnant women until the child is born. Additionally, California covers both the unborn child statewide and covers children in select counties with income above the current statewide income eligibility level for children.

[11] Social Security Act § 1902(gg) and Social Security Act § 2105(d)(3).

[12] See https://www.hhs.gov/about/budget/fy2016/budget-in-brief/index.htm.

[13] The Kaiser Family Foundation State Health Facts, "Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier (The Henry J. Kaiser Foundation, FY 2018), available at http://kaiserf.am/2ysU7F1. The federal match rate varies by state and ranges from 50 to 76 percent for Medicaid and 88 to 100 percent for CHIP in FY 2018.

[14] Pennsylvania does not expect to run out of funds in 2017, but state lawmakers in Pennsylvania have only authorized CHIP through December 31, 2017. State action is required to keep CHIP running into 2018.

[15] States would have the option to convert their separate CHIP programs to Medicaid if federal funding for CHIP expires. However, making this change would have a significant financial impact on states and take time and effort.

[16] Kaiser Family Foundation, "Current Status of State Planning for the Future of CHIP" (Washington: Kaiser Family Foundation, October 4, 2017), available at https://www.kff.org/medicaid/fact-sheet/current-status-of-state-planning-for-the-future-of-chip/.

[17] L. Dubay et al. "Not extending federal funding for CHIP jeopardizes coverage for children" (Washington: The Urban Institute, October 3, 2017), available at https://www.urban.org/urban-wire/not-extending-federal-funding-chip-jeopardizes-coverage-children.

[18] The problem, known as the family glitch, disallows subsidies if a parent can enroll individually in their employer plan for less than 9.5 percent of household income, regardless of the cost of dependent coverage which can be substantially more.

[19] Email communication with Colleen Sonosky, Associate Director, Division of Children's Health Services, DC Department of Health Care Finance. October 20, 2017.

This brief was authored by Tricia Brooks, Joan Alker, and Karina Wagnerman of the Georgetown University Center for Children and Families. The authors would like to thank Kelly Whitener, Phyllis Jordan, Kyrstin Racine, and Dulce Gonzalez for their contributions to this brief. Design and layout provided by Nancy Magill.

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