CHILDREN’S HEALTH INSURANCE PROGRAM: FUNDING REAUTHORIZATION

Submitted to

U.S. Senate Committee on Finance

Submitted by

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Introduction
UnidosUS, formerly the National Council of La Raza, is the largest national Hispanic civil rights and advocacy organization in the United States. We have a long history of advancing opportunities for middle and working-class Latino children and families, including immigrant and mixed-status households, to achieve the highest level of health possible.

In this capacity, UnidosUS and its Affiliate network of over 260 local, community based organizations in 41 states, the District of Columbia, and Puerto Rico, work diligently to ensure that the needs of our community are met. Through our work with these Affiliates we help ensure that all individuals – regardless of who they are or where they are from – have access to affordable, quality health coverage and care. Advancing health equity is crucial for all Americans, including Latino children who are more likely to be uninsured than their peers. Our children are the future of this nation, and it is important that every child has the opportunity and ability to grow up healthy.

As evidence of our commitment to improving access to health coverage and care, UnidosUS has published several reports on policies and programs, like the Children’s Health Insurance Program (CHIP), demonstrated to have had a positive impact on the health and wellbeing of Latino children, including:

- *Historic Gains in Health Coverage for Hispanic Children in the Affordable Care Act’s First Year*, published by UnidosUS and the Georgetown Center for Children and Families (January 2016)

The Children’s Health Insurance Program (CHIP), has proven to be essential to keeping millions of children and families, including Latinos, healthy and financially secure. Since 1997, CHIP has provided no-cost and low-cost health insurance for children of working families who earn too much to qualify for Medicaid, but not enough to afford private insurance. This program has enjoyed bipartisan support throughout its 20-year history. Chief among these champions has been Chairman Hatch, along with Democratic counterparts, including the late Sen. Edward Kennedy and Sen. Jay Rockefeller.

CHIP’s impact on our children has only grown during this time. In 2016, there were nearly 9 million children enrolled in the CHIP program. Most of these children (89 percent) are in working families earning between $24,600 and $49,200 for a family of four, or between 100 percent and 200 percent of the Federal Poverty Level (FPL). The increase in coverage for children in working families has precipitated a dramatic decline in the number of all uninsured children. Since 1997, the overall child uninsured rate has declined by two-thirds, from 14.9 percent in 1997 to 4.8 percent in 2015, the lowest rate ever recorded.

UnidosUS recognizes the power of this program and, along with our Affiliates, has worked over the past 20 years to expand access to CHIP coverage for Latino children. Most recently, we have
engaged with partners at the state level to ensure that children have access to coverage through the CHIP program in their states. For example, in 2016, we worked with child advocacy groups in Arizona to reinstate their CHIP program, expanding access to quality, affordable health coverage for an estimated 30,000-40,000 children.iii

Despite this success, funding for this vital program ends on September 30, 2017. If CHIP funding is delayed or allowed to expire, the health and wellbeing of nearly 9 million children currently enrolled in CHIP will suddenly be at risk, along with the tremendous progress made in narrowing health inequities experienced by all children of color, including Latinos. With the uncertainty surrounding other important health programs like the Affordable Care Act and Medicaid, it becomes even more important for Congress to meet this deadline.

This written testimony will focus on the importance of the CHIP program to the Latino community, narrowing inequities in health coverage for Latino children, and the steps Congress must take to safeguard the wellbeing of millions of children.

**CHIP Narrows Coverage Gaps for Latino Children**

While CHIP plays an important role in health coverage for nearly 9 million children, it has been especially influential in providing access to health coverage and care for Latino children, who have historically been more likely to be uninsured than their peers. Every child deserves to grow up healthy and thrive, and many Latino children and families depend on CHIP coverage for this opportunity:

- Along with the Affordable Care Act, CHIP is responsible for reducing the rate of uninsured Latino children from 28.6 percent in 1997, to 7.5 percent in 2015.iv
- Most Latino children (61 percent) live in families earning below 200 percent FPL, which makes them income-qualified for Medicaid/CHIP coverage in nearly every state. 56 percent of Latino children are enrolled in Medicaid or CHIP coverage.v
- Latino children account for the largest share of Medicaid and CHIP enrollees (37 percent) of any ethnic group, despite accounting for only 25 percent of the child population.vi

CHIP not only has allowed more children to have health coverage, it has dramatically reduced healthcare inequities affecting children of color from working families. From 1997 to 2015, the coverage disparity between White children and Latino children narrowed from 13 percentage points to 3.7 percentage points, with CHIP accounting for much of this decline.vii Further, a recent federally-mandated evaluation of CHIP enrollment across ten states found that over half of CHIP enrollees (54 percent) were Latino.

Finally, the coverage provided by CHIP is unique in our healthcare system because its benefits are specifically tailored for children in working families and may be more effective in detecting or preventing certain conditions. Children with Medicaid or CHIP coverage are more likely than children with private insurance to have had a routine checkup, and are just as likely to have a primary, consistent source of care.viii Most children enrolled in CHIP have access to the Early and Periodic Screening, Diagnostic, and Treatment Benefit (EPSDT), which enables these children to receive medically necessary services – like treatment for vision, dental, and hearing problems – ensuring that children of all ages in this income bracket have access to the specific services appropriate at their current stage of development.ix
Moving Forward with CHIP Funding Reauthorization

Since its inception, CHIP has enjoyed bipartisan support, including the last time the program was reauthorized in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). This bipartisan support has helped make CHIP an especially effective program, capable of reducing child uninsured rates regardless of the political or economic climate.

While most states do not officially exhaust their CHIP funding until later this year or next year, the state budget cycle requires many to begin winding down their programs and sending out cancellation letters several months in advance. If Congress does not authorize funding past September 30th, children across the nation will face coverage disruptions, causing them to fall-behind on their well-child visits or delay medically necessary treatment. Any delay in reauthorizing this funding could reverse course on the tremendous progress that has been made in reducing the number of uninsured children.

We believe that CHIP funding should be reauthorized in a way that enables the program to continue to meet the unique health care needs of children in working families, including Latinos. As Congress considers ways to continue to fund the CHIP program, we urge you to put children first, and build on the foundation laid under previous reauthorizations of this program including MACRA and the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA). UnidosUS strongly believes that Congress should consider the following priorities as they work to reauthorize funding for CHIP:

1. **Extend federal CHIP funding on time.** It is essential for the health and wellbeing of our children that Congress reauthorize CHIP funding by the September 30th deadline. This will allow states the budgetary certainty they need to continue providing coverage for children eligible for CHIP. Given the tremendous uncertainty surrounding other parts of our healthcare system, Congress must ensure that CHIP funding is not allowed to lapse for any period of time or children will lose their health coverage.

2. **Extend current funding levels established in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and the Affordable Care Act (ACA).** The enhanced Federal Medical Assistance Percentage (E-FMAP) authorized under MACRA, along with the current CHIP Maintenance of Effort provision established under the ACA, has given states the ability to provide coverage, without gaps, for children in families earning under a specific income threshold. The increase of funding authorized by MACRA provides states the ability to continue expanding access to coverage to more children, and opened the doors for Arizona to reinstate its program. If CHIP is not funded at current levels, some states will once again impose waiting lists and enrollment caps on their programs and currently-eligible children may suddenly find themselves without access to CHIP coverage. This combination would undo years of painstaking effort and bipartisan progress to improve children’s access to quality, affordable health coverage and care.

3. **Authorize a five-year extension of federal CHIP funding through FY 2022.** Renewing federal funding for an additional five years, as opposed to a more short-term extension, will provide states with long-term budgetary certainty necessary to develop and test approaches for a more coordinated delivery system of comprehensive, affordable coverage for children. A five-year extension, at current funding levels, would also better synchronize the program’s funding with the current CHIP authorization timeline.⁴
4. **Ensure the eligibility of at least as many children as allowed under current law.** When it comes to children’s coverage, we should always be looking forward, not back. It is critical to the success of this program, and to the health and wellbeing of America’s children, that current eligibility standards are maintained or expanded. All children, no matter who they are or where they are from, deserve the opportunity to live healthy lives and thrive. Congress must ensure that CHIP continues to play this role within our healthcare system.

**Conclusion**

Despite undeniable success, long-standing bipartisan support, and program reauthorization through 2019, funding for this vital program is at risk. UnidosUS believes that the stakes—the health and wellbeing of nearly 9 million children, a significant share of whom are Latino—are too high for any delay or lapse in funding. CHIP is a foundational part of our nation’s healthcare system, and helps ensure a stronger and brighter future for our children. The millions of children enrolled in CHIP cannot afford to go without coverage; children with health coverage are more likely than those who go without to graduate high school, attend college, and attain economic success in adulthood. By investing in our children today we help ensure not only their individual success but that of our nation. CHIP is a truly effective program that helps give our children the healthiest start they need in life. It is paramount that funding for this program remains strong for years to come.

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\^ Ibid.