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Authorization of the Children's Health Insurance Program Set to Expire at End of September

Authors: Sheila P. Burke

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Federal funding for the Children's Health Insurance Program (CHIP) – which covers approximately 9 million children nationwide at a cost of approximately \$15 billion per year – expires September 30. Thus far, congressional action on CHIP reauthorization has been sidelined by the focus on Republicans' health care reform efforts.

State officials are awaiting assurances from Capitol Hill that continued funding for the program will be approved. According to the Medicaid and CHIP Payment and Access Commission (MACPAC), four states – Arizona, California, Minnesota and North Carolina – and the District of Columbia will run out of funding for the program by December 2017 without an extension from Congress. More than half of states are projected to exhaust federal CHIP funds by March 2018 without reauthorization. Given that all but four states have enough CHIP funding to run into next year, Congress may have some leeway to act beyond the September 30 expiration.

Senate Finance Committee Chair Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR) announced a hearing on CHIP funding reauthorization on September 7. Both Hatch and Wyden expressed shared commitment "to a strong, bipartisan and timely CHIP extension."

Takeaway: Although it remains unclear whether Congress can meet the September 30 deadline, observers generally expect Congress to pass CHIP funding reauthorization sometime this fall. Key factors for consideration in the package include the duration of funding reauthorization, fiscal offsets and potential modifications to CHIP's eligibility parameters. Given recent and ongoing debates over the ACA, it is unclear whether lawmakers will pursue a "clean" extension of CHIP or take a broader look at the program's overall structure.