

# CHIP and Latino Kids: What's at Stake if Congress Fails to Act?

Every child deserves to have the necessary building blocks—including quality, affordable, and accessible health coverage—to grow up healthy and thrive.

Since 1997, the Children's Health Insurance Program (CHIP) has effectively provided coverage to millions of American children, including Latinos. CHIP is uniquely positioned to provide coverage for children in families earning too much to qualify for Medicaid, but not enough to afford private insurance. CHIP has historically enjoyed bipartisan support and is an indispensable program for Latino children and families. It is critical that Congress reauthorizes funding for this program by the end of this year to protect the health and well-being of our children.

## What is the Children's Health Insurance Program?

CHIP is a successful federal-state partnership that provides no-cost or low-cost health coverage to children in working families that earn too much to qualify for Medicaid.<sup>1</sup> Each state administers its own program with different income and other eligibility requirements. States can use CHIP funds to expand Medicaid for children (15 states, including DC), cover children through a separate CHIP program (two states), or combine the two programs (34 states).<sup>2</sup>

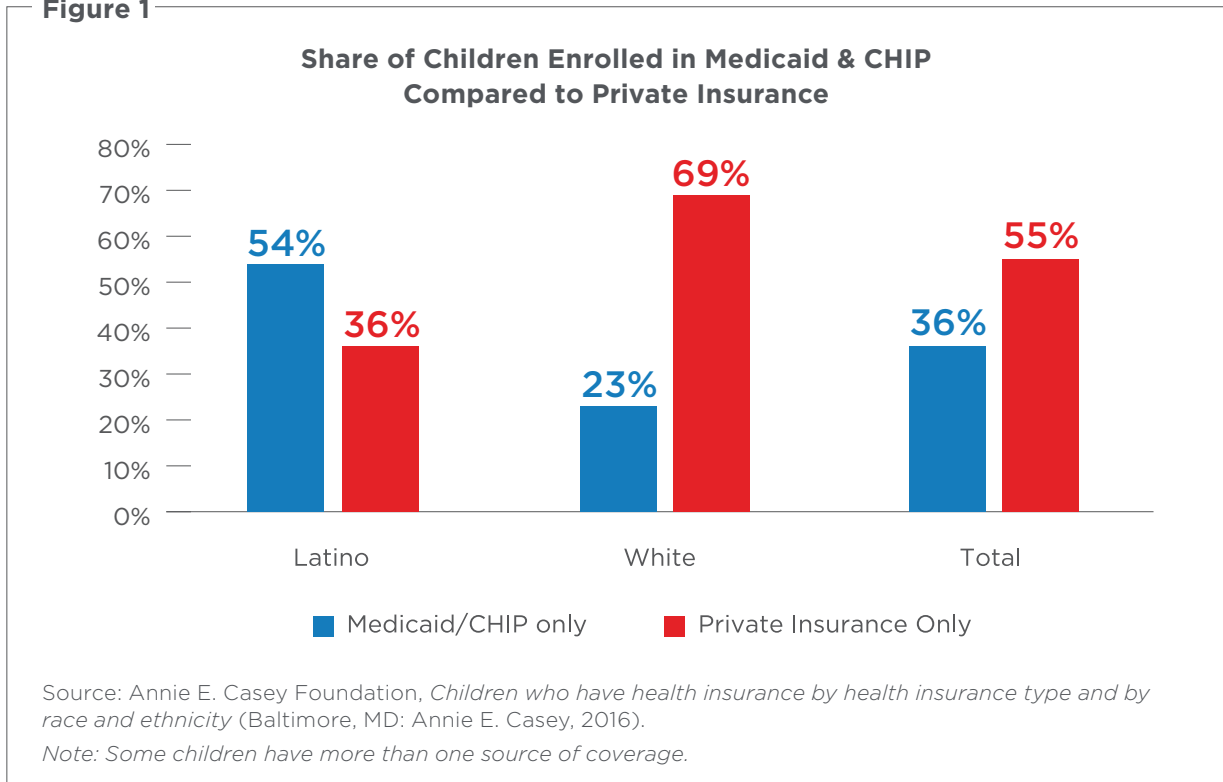
- 8.9 million children were enrolled in CHIP at some point in 2016.<sup>3</sup>
- Most children enrolled in CHIP coverage (89%) live in working families earning between \$24,600 and \$49,200 for a family of four (or 100%–200% of the Federal Poverty Level (FPL)).<sup>4</sup>
- Since 1997, the year CHIP was implemented, the overall child uninsured rate has declined by two-thirds (14.9%–4.8%), to the lowest rate ever recorded in 2015.<sup>5</sup>

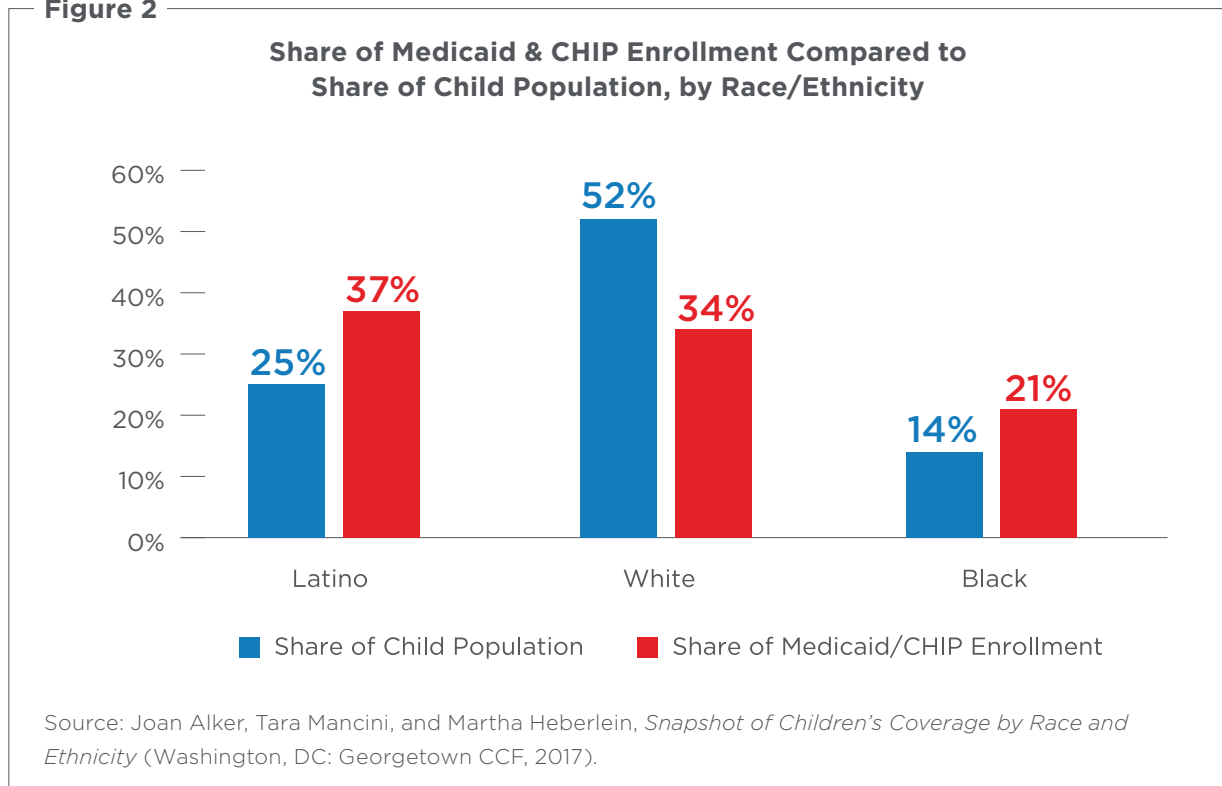
## What role does CHIP play for Latino children and families?

CHIP works with each state's Medicaid program to provide quality health coverage for millions of Latino children in working families earning too much to qualify for Medicaid, but not enough to afford private insurance.

- Since 1997, the rate of uninsured Latino children has declined by nearly three-quarters (28.6%–7.5%).<sup>6</sup>
- More than half (54%) of Latino children have Medicaid or CHIP coverage (see Figure 1).<sup>7</sup>
- Latino children make up the largest share of children covered by these programs (37%), despite accounting for just one-quarter of the child population (see Figure 2).<sup>8</sup>

**Figure 1**



**Figure 2**

## What sets CHIP apart from other sources of coverage?

CHIP promotes child health equity by investing in benefits specifically tailored for children in low-income working families (less than 200% FPL), which includes 61% of Latino children.<sup>9</sup> This includes Latino children who are more likely to enroll in CHIP coverage than other children.<sup>10</sup>

- CHIP is more affordable than other sources of coverage. Research demonstrates that CHIP enrollees have a lower financial burden related to their health care needs compared to both the uninsured and privately insured.<sup>11,12</sup> For example, the combined out-of-pocket costs of separate CHIP programs in 36 states averaged \$158 per year per child, compared to an average of \$891 for employer-sponsored insurance and an average of \$1,073 in the second lowest cost silver plan on the health insurance marketplace in those states.<sup>13</sup>
- CHIP benefits are comprehensive and specifically tailored to low-income children.<sup>14</sup>
  - Nearly all states' CHIP programs include the Early and Periodic Screening, Diagnostic, and Treatment Benefit (EPSDT) that enables children in working families to receive medically necessary services.<sup>15,16,17</sup>
  - Low-income children are more likely to be affected by health issues such as developmental delays, obesity, asthma, vision, dental disease, and hearing problems—conditions that EPSDT specifically screens and treats.<sup>18</sup>

- o These are standards that not all sources of private coverage meet. More than half of all employer-sponsored plans (54%) do not include pediatric dental coverage and most do not cover audiology exams (66%) or hearing aids (57%), like CHIP does.<sup>19</sup>
- Children with CHIP coverage are utilizing health care services. 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.<sup>20</sup>
- In addition to important health care services specifically tailored for children, studies show that CHIP coverage is associated with long-term benefits including better health, and stronger education and economic outcomes.<sup>21</sup>

## Why is it important for Congress to reauthorize CHIP funding by the end of 2017?

Legislative action is urgently needed for states to continue operating their CHIP programs. The program is reauthorized through September 30, 2019 but funding expired on September 30, 2017. If Congress does not extend funding by the end of this year, children across the country will lose access to CHIP coverage. Two states—Arizona and Minnesota—will run out of federal CHIP funding, including unspent federal CHIP allotments from prior years, by December 2017, and 28 more, including DC, will do so by March 2018.<sup>22</sup> For the program to continue providing quality, accessible health care for Latino children, UnidosUS urges Congress to:

- Reauthorize CHIP funding by the end of the year to ensure that children remain covered.
- Maintain current funding levels established in the bipartisan Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).
- Authorize a five-year extension of CHIP funding through FY 2022, to provide states with budgetary certainty, and children with a stable source of health care.
- Ensure the eligibility of at least as many children as allowed under current law.

## Endnotes

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- 9 Annie E. Casey Foundation, *Children Below 200 Percent of Poverty by Race* (Baltimore, MD: Annie E. Casey, 2016), <http://datacenter.kidscount.org/data/tables/6726-children-below-200-percent-poverty-by-race?loc=1&loct=1#detailed/1/any/false/573/12,1/13819,13820> (accessed August 2017).
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