

January 2018 | Fact Sheet

Summary of the 2018 CHIP Funding Extension

On January 22, 2018, Congress passed a six-year extension of CHIP funding as part of a broader continuing resolution to fund the federal government. Federal funding for CHIP had expired on September 30, 2017. Without additional funding available, states operated their CHIP programs using remaining funds from previous years. However, some states came close to exhausting funding, leading them to make contingency plans to reduce coverage and notify families of potential coverage reductions. In late December 2017, Congress provided some short-term funding for early 2018, but some states still expected to exhaust funds by March 2018. The six-year funding extension provides stable funding for states to continue their CHIP coverage. This fact sheet provides a summary of key provisions of the CHIP funding extension (Table 1). In sum, it:

- Provides federal funding for CHIP for six years, from FY2018 through FY2023.
- Continues the 23 percentage point enhanced federal match rate for CHIP that was established by the Affordable Care Act, but reduces the federal match rate to the regular CHIP rate over time.
- Extends the requirement for states to maintain for coverage for children from 2019 through 2023; after October 1, 2019, the requirement is limited to children in families with incomes at or below 300% FPL.

Table 1: Key Provisions of the HEALTHY KIDS Act (H.R. 195, Division C)

CHIP Funding	Extends federal CHIP funding for 6 years, from FY2018 through FY2023. Makes some adjustments to avoid duplicate payments given the short-term federal funding provided for the first quarter of FY2018. Extends Child Enrollment Contingency Fund payments for states with a funding shortfall and CHIP enrollment exceeding a state-specific target level. Extends the qualifying states option that allows states that expanded Medicaid before CHIP was created in 1997 to receive CHIP matching funds for some children enrolled in Medicaid.
Federal Match Rate	Continues the 23 percentage point CHIP enhanced federal match rate established by the Affordable Care Act for FY2018 and FY2019, decreases it to 11.5 percentage points in FY2020, and returns to the regular CHIP match rate for FY2021 through FY2023.
Express Lane Eligibility	Extends authority for states to rely on findings from agencies such as those that administer TANF or SNAP for initial Medicaid/CHIP eligibility determinations and renewals through FY2023.
Maintenance of Effort	Extends states' maintenance of effort requirements to maintain coverage for children from FY2019 through FY2023. After October 1, 2019, the maintenance of effort requirement would only apply to children in families with incomes at or below 300% FPL.
Demonstration Project Funding	Extends federal funding for the childhood obesity demonstration project and pediatric quality measures program for FY2018 through FY2023.
Outreach and Enrollment Funding	Extends federal funding for CHIP outreach and enrollment grants from FY2018 through FY2023. Specifies that organizations that utilize parent mentors are able to receive grant funding and that any income or stipend a parent receives through this grant funding should not be considered in Medicaid eligibility determinations.
CHIP Risk Pools	Allows states to include CHIP children and those in look-alike programs in the same risk pool and specifies that CHIP look-alike programs qualify as minimum essential coverage. Look-alike programs are for children under 18 who are ineligible for Medicaid and CHIP and purchase coverage through the state that provides benefits at least identical to CHIP funded through non-Federal funds including premiums.
Medicaid Improvement Fund	Adds \$980 million to the fund to reduce state costs associated with claims systems beginning in FY2023.