

November 2017 Update | Fact Sheet

Comparison of Key Provisions in the Senate and House CHIP Bills

In early October 2017, the Senate Finance Committee and House Energy and Commerce Committee reported bills out of committee to extend federal funding for the Children’s Health Insurance Program (CHIP). As of November 1, the House bill was amended to combine the extension of CHIP funding with an extension of funding for the Community Health Center (CHC) fund. The House is scheduled to vote on this bill on November 3rd. Final legislation to extend CHIP still requires passage by the full House and Senate, resolution of any differences between the House and Senate bills, and signature by the President.

Federal funding for CHIP expired on September 30, 2017. As time passes from this expiration date, states face increasing pressure as they bump up against deadlines to make program changes to address the loss of federal CHIP funding. Without congressional action, the majority of states will face a FY2018 budget shortfall. As states run out of federal funds, some will take action to freeze enrollment or end coverage, which would lead to coverage losses for children.

Table 1 below provides a high level summary of key provisions in the Senate and amended House CHIP bills, and Table 2 provides a more detailed comparison.

Table 1: High Level Comparison of Senate and House CHIP Funding Bills		
	S. 1827: KIDS Act of 2017 (as of 10/4/2017)	H.R. 3922: CHAMPIONING HEALTHY KIDS Act (as of 11/1/2017)
CHIP Financing and Policies	<ul style="list-style-type: none"> Extends federal funding for CHIP for five years, with transition down from enhanced match rate to regular CHIP match rate Extends state maintenance of effort requirement for children in families with incomes below 300% FPL, Express Lane Eligibility, and demonstration and outreach programs. 	
Other Provisions	No Provision	<ul style="list-style-type: none"> Delays Medicaid DSH cuts to FY2020 and increases reductions to \$8 billion per year over the FY2021-2025 period Provides \$1 billion in Medicaid financing to Puerto Rico and additional relief to the U.S. Virgin Islands
Offsets for CHIP and Other Provisions	No Provision	<ul style="list-style-type: none"> Increases collection of third-party payments under Medicaid Includes lottery winnings and other lump sums in Medicaid eligibility determinations Increases Medicare premiums for higher income beneficiaries
Community Health Centers and Other Public Health Programs	No Provision	<ul style="list-style-type: none"> Extends Community Health Center fund and other public health provisions for two years Offsets costs by reducing funding for the Prevention and Public Health Fund and shortening the grace period for unpaid premiums for individuals in subsidized Marketplace plans

Table 2: Detailed Comparison of Key Provisions in the Senate and House CHIP Funding Bills

Provision	S. 1827: KIDS Act of 2017 (as of 10/4/2017)	H.R. 3922: CHAMPIONING HEALTHY KIDS Act (as of 11/1/2017)
CHIP Funding	Extends federal CHIP funding for 5 years, from FY2018-FY2022. Also extends Child Enrollment Contingency Fund payments for states with a funding shortfall and CHIP enrollment exceeding a state-specific target level.	
CHIP Enhanced FMAP Phase-Out	Continues 23% CHIP enhanced FMAP for FY2018 and FY2019, then decreases to 11.5% in FY2020, and removes enhanced FMAP in FY2021 and FY 2022.	
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.	
Maintenance of Effort	Extends states' maintenance of effort requirements for children in families below 300% FPL for 10/1/19 through 9/30/22.	
Demonstration Project Funding	Extends federal funding for childhood obesity demonstration project and pediatric quality measures program for FY2018-FY2022.	
Outreach and Enrollment Funding	Extends federal funding for CHIP outreach and enrollment grants from FY2018-FY2022.	
		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	No provision.	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 DSH Cuts	No provision.	Removes \$2 billion DSH cut for FY2018 and \$3 billion DSH cut for FY2019, retains \$4 billion DSH cut for FY2020, increases federal DSH cuts to \$8 billion in FY 2021 through 2025.
Medicaid Payments to Puerto Rico and the U.S. Virgin Islands	No provision.	Increases federal Medicaid payments to Puerto Rico and the Virgin Islands by 1% for FY2018 and FY2019 (new rate is medical CPI + 1%). Also provides an additional \$880 million for Puerto Rico. Provides for a further increase of \$1.2 million from 10/1/17 through 12/31/19 if Puerto Rico Financial Oversight and Management Board certifies that Puerto Rico has taken reasonable and appropriate steps to reduce Medicaid fraud, waste, abuse; implemented strategies to reduce unnecessary, inefficient, or ineffective Medicaid spending; improved the use and availability of Medicaid data for program operation and oversight; and improved Medicaid care quality and patient experience. Also provides 90% federal matching funds to Puerto Rico and the Virgin Islands for staff and costs to eliminate Medicaid fraud for 1/1/18 through 12/30/19. Also provides for additional funding to the Virgin Islands based on the Virgin Islands per capita equivalent amount of the \$880 million plus \$1.2 million provided to Puerto Rico as described above.
Medicaid Third Party Liability	No provision.	Increases states' ability to pursue Medicaid reimbursement from liable third parties, incentivizes states to do so for expansion adults, and requires state Medicaid Integrity Programs to include training on third party liability. Also requires Secretary to post third party liability best practices online and monitor state efforts. Allows Secretary to reduce state's FMAP by 0.1% for quarters in the year after a state fails to comply with

		<p>federal third party liability requirements (reduction can be cumulative for failure to comply in consecutive years).</p> <p>Applies Medicaid third party liability provisions to CHIP.</p> <p>Provisions are effective 10/1/19 unless otherwise specified (subject to exception if state legislature not in session).</p>
Medicaid Lump-Sum Payments	No provision.	<p>Require states to consider lottery winnings and other lump sum payments (including gambling winnings, damages from suits other than personal physical injuries or physical sickness, and liquid assets from an estate) as income over a period of months in determining Medicaid eligibility for an individual based on MAGI as of 1/1/18. Secretary can establish hardship criteria and state can intercept lottery winnings for Medicaid recoupment.</p>
Medicare Parts B and D Premium Subsidies	No provision.	<p>Sets Medicare Part B and D premium subsidies at 80% for individuals with incomes between \$160,000 and \$500,000 and removes Medicare Part B and D premium subsidies for those with income above \$500,000 (current law is 80% for all those above \$160,000). Beginning in 2027, the \$500,000 amount is increased by percentage that the CPI for the 12 months ending with August of the previous CY exceeds average CPI for the 12-month period ending with August 2025.</p>
Community Health Centers and Other Public Programs	No provision	<p>Extends funding for FY2018 and FY2019 for the Community Health Center Fund and other public health provisions, including the National Health Service Corps, Special Diabetes Program, Teaching Health Center Graduate Medical Education program, Youth Empowerment Program, Personal Responsibility Education Program, and Family-to Family Health Information Centers.</p> <p>Offsets costs by reducing funding for the Prevention and Public Health Fund and shortening the grace period for unpaid premiums for individuals in subsidized Marketplace plans. Beginning 1/1/2018, reduces grace period for discontinuing coverage due to nonpayment of premiums for people who enroll in subsidized Qualified Health Plans under the Affordable Care Act from three months to one month, unless a state sets a different period.</p>