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CHILDREN'S HEALTH INSURANCE BACKGROUNDER

Federal and State governments work together to offer health insurance to children who need it. The U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) oversees two programs in the effort to achieve safe, effective, efficient, patient-centered, timely and equitable care for America's children: the Children's Health Insurance Program (CHIP) and Medicaid. These programs provide medical benefits to children who have inadequate or no medical insurance. Medicaid and CHIP are funded jointly by the Federal government and the States.

Providing health insurance coverage has lasting benefits to the nation's children. Children who have insurance generally have better health throughout their childhood and into their teens. They are sick less often, get the treatment they need when they are not feeling well and are less likely to miss school due to illness.

Within broad Federal guidelines, each State determines the design of its program, eligibility groups, benefit packages, payment levels for coverage and administrative and operating procedures. The State determines the exact coverage provided by CHIP and Medicaid, but coverage generally includes:

- Doctor visits
- Emergency care
- Hospitalizations
- Vaccinations
- Prescription drugs
- Vision
- Hearing
- Dental

Whether or not a person is eligible for CHIP or Medicaid will depend on the State where he or she lives. Most States have made it easy to apply for health insurance for children by shortening the application and allowing parents and guardians to apply through the mail, online or over the phone, without having to take time off of work to go into the State's office. In addition, CHIP and Medicaid programs are coordinating their enrollment procedures to ensure children are covered by the appropriate program and to prevent families from missing the opportunity to obtain coverage for their children.

Children's Health Insurance Program (CHIP)

Children began receiving insurance through the Children's Health Insurance Program (CHIP) in 1998, and the States' programs served more than 7 million children in 2008. The program was reauthorized on February 4, 2009, when President Barack Obama signed into law the Children's Health Insurance Program Reauthorization Act of 2009. CHIPRA finances the Children's Health Insurance Program through fiscal year 2013. It will preserve coverage for the millions of children who rely on CHIP and Medicaid today and will provide resources for States to reach millions of additional uninsured children.



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CHIP is jointly financed by the Federal and State governments and is administered by the States. Within broad Federal guidelines, each State determines the design of its program; however, there are some commonalities:

- **Income:** States have broad flexibility to set their CHIP income eligibility levels. Most states cover children up to or above 200 percent of the federal poverty level (FPL). In many states, that means uninsured children 18 years old and younger, whose families earn up to \$44,500 a year (for a family of four) qualify. Many of the children covered by CHIP come from working families.
- **Age:** Children up to 19 years of age are covered. In addition, pregnant women may be eligible for CHIP coverage for both herself and her child. Coverage for expectant mothers generally includes prenatal care, lab testing, labor and delivery costs and 60-days postpartum care.
- **Insurance Status:** Children must be uninsured to qualify for CHIP-funded coverage.
- **Citizenship:** CHIP covers U.S. citizens as well as certain legal immigrants. States have the option of covering lawfully residing children and pregnant women who are non-citizens. Undocumented immigrants are not eligible for CHIP except for in emergency situations.

Medicaid

Medicaid provides comprehensive health care coverage for children in low-income families who lack access to private health insurance. Enacted in 1965 under Title XIX of the Social Security Act, Medicaid is a State administered program that operates within broad Federal guidelines. Each State sets its own standards regarding eligibility and services; however, there are some commonalities:

- **Income:** All children who have income below the Federal poverty line are eligible for Medicaid. In addition, children under age six with family incomes below 133% of the federal poverty level (FPL) are eligible as are pregnant women with family incomes below 133% of the FPL. Infants with incomes up to 185% of the FPL are also eligible for Medicaid. States can expand eligibility to higher income levels, and the vast majority has done so for children.
- **Age:** Children up to 21 years of age are covered.
- **Insurance Status:** Most children enrolled in Medicaid do not have access to other insurance coverage; however, children do not have to be uninsured to obtain Medicaid coverage. They can also be eligible if their coverage is insufficient.
- **Citizenship:** Medicaid covers U.S. citizens as well as certain legal immigrants. States have the option of covering lawfully residing children and pregnant women. Eligibility for children is based on the child's citizenship-status, not the parents'.