

US Congress fails to reauthorize insurance program covering 9 million children

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The US Congress missed a deadline to reauthorize the Children's Health Insurance Program (CHIP) over the weekend. The failure to act threatens health insurance coverage for about 9 million children in lower-income families across the United States. Although the Senate released a five-year bill to reauthorize the program last week, a vote was not scheduled by the Republican Senate leadership.

States will begin to feel the effects of Congress's inaction as soon as the end of this year. Previously, when some states closed CHIP enrollment for limited periods in response to budget shortfalls, studies show that eligible individuals were left without access to coverage, causing negative effects on family health and finances.

Funding for CHIP expired on September 30. Although funds did not immediately dry up on October 1, the program faces imminent shutdown in a number of states. Joan Alker, executive director of Georgetown University's Center for Children and Families, told reporters earlier this month, "This is ridiculous. It's already too late. We have never had a situation like this before."

CHIP was passed into law under the Clinton administration with bipartisan support, championed by then-first lady Hillary Clinton. The program provides low-cost health coverage to children in families that earn too much to qualify for Medicaid.

Although eligibility rules vary by state, in most states children age 18 and younger qualify for the program if their family's income falls below 200 percent of the federal poverty line, or just under \$50,000 for a family of four. Some states offer coverage to children in families earning up to 300 percent over the federal poverty line, and 20 states also offer coverage to pregnant women.

CHIP provides low-cost insurance for a large range of benefits, varying by state, including routine checkups, immunizations, mental health services, prescriptions, inpatient and outpatient hospital care, x-rays and lab services. An analysis from the American Academy of Pediatrics found that families are much more likely to attend to preventive and primary care after enrolling their children in the program.

Average costs to families run about \$150 per child annually, compared to insurance premiums of more than \$850 per year per child in employer-sponsored insurance, according to a report from the Medicaid and CHIP Payment and Access Commission released earlier this year.

About 9 million children are currently insured through CHIP. Since its enactment, the uninsured rate among children has fallen significantly, from 13.9 percent in 1997 to 4.5 percent in 2015, the Access Commission says. In 2016, more than 8.9 million children were enrolled, up from 8.44 million in 2015.

CHIP currently costs about \$14 billion a year, with the federal government picking up about three-quarters of this cost. Some states provide CHIP as part of the expansion of Medicaid under the Affordable Care Act (ACA), others operate a separate CHIP program, while some provide a combination of these approaches. Under expiration, states with CHIP-funded Medicaid expansion would be required to maintain this coverage, but with lowered federal funding. States with separate CHIP coverage would not be required to maintain it.

According to an analysis by the Kaiser Family Foundation (KFF), 48 of 50 responding states, including the District of Columbia, assumed continued federal funding for CHIP in their fiscal year 2018 budgets. Thirty-four of 42 responding states also assumed they would receive the 23 percent match

included as part of Obamacare. This means that the majority of states face a funding shortfall due to CHIP's expiration.

Ten states—Connecticut, Pennsylvania, Mississippi, Oregon, Idaho, Nevada, Utah, Arizona, California and Hawaii—anticipate exhausting CHIP funding by the end of 2017. Most states must provide 30 days' notice to enrollees that their coverage will be eliminated.

Previous state enrollment caps and freezes in CHIP benefits have had a disastrous effect on coverage and medical services. When North Carolina froze enrollment between January and October 2001, enrollment fell by nearly 30 percent, from about 72,000 to 51,300, according to KFF. Parents affected by the freeze said that almost all of their children experienced periods of being uninsured and reported difficulties obtaining prescriptions for them. They also reported obtaining care for their children required them to cut back on necessities, borrow money from family or friends, or accrue debt.

House Democratic Caucus Chairman Rep. Joe Crowley (New York), blamed Republicans for missing the CHIP reauthorization deadline. However, neither House Minority Leader Nancy Pelosi nor Senate Minority leader Chuck Schumer has voiced loud protests over congressional inaction that threatens the health care of millions of US children.

The failure to reauthorize CHIP follows last week's collapse of Senate Republicans' latest Obamacare repeal effort, as Majority Leader Mitch McConnell pulled legislation sponsored by Sens. Lindsey Graham (South Carolina) and Bill Cassidy (Louisiana), when it became clear the measure did not have the votes to pass.

While committees in both the House and Senate said hours before Congress failed to reauthorize CHIP that they would take up the legislation for the children's program again this week, such action is anything but assured. Joan Benso, president and CEO of advocacy group Pennsylvania Partnerships for Children, told the *Morning Call*, "If we get to November and it's not done, then we'll get pretty concerned."

In the wake of the latest failure to repeal the ACA, a bipartisan effort to "fix" Obamacare by Sens. Lamar Alexander, Republican of Tennessee, and Patty Murray, Democrat of Washington, is expected to continue. This effort is not aimed at extending coverage

to the 28 million Americans who remain uninsured seven years after the passage of the ACA, but at "stabilizing" the insurance markets.

Such a bipartisan deal would retain the basic framework of Obamacare, which has broad support from the insurance companies and big business, bloating the profits of the insurers while at the same time increasing out-of-pocket health care costs for the vast majority of Americans.



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