

**Facts are Facts:
The Bipartisan Children's Health Insurance Program Reauthorization Act**

The bipartisan Children's Health Insurance Program Reauthorization Act (CHIPRA) provides \$35 billion in additional funding for CHIP and Medicaid for the five years, FY 2008-2012. The bill pays for the extension of the SCHIP program through an increase in the federal tax on tobacco products. A pack of cigarettes will be taxed an extra \$0.61.

CHIPRA does not "expand" the CHIP program – it limits the program eligibility more than current law. Currently, any state may apply to the federal government for a waiver to increase its CHIP income eligibility limit to any level it wishes. Until this year, the Bush Administration has approved every waiver to do so. CHIPRA would limit states' ability to enroll children in families with incomes above 300% of the federal poverty level (approximately \$60,000 for a family of four), with two exceptions, which are grandfathered in.

CHIPRA is focused on enrolling eligible low-income children. Fully 84% of children who will enroll in CHIP after the reauthorization is passed are *currently eligible but not enrolled in CHIP*. Approximately 70% of the children who will be enrolled will come from families making less than 200% of the federal poverty level, and 45% of the newly enrolled children will come from the poorest segment of society, those in families with incomes under the poverty level (approximately \$20,000 for a family of four).

CHIPRA severely limits eligibility for adults. The bill bans states from enrolling childless adults in CHIP. It would shift all childless adults off the program in the next few years. The bill would not allow the federal government to accept new waivers to enroll parents of eligible children. States already enrolling parents would be allowed to continue, at a reduced federal match. Pregnant women would be allowed to enroll in CHIP at state option.

CHIP is not government-run health care. Fully 77% of CHIP enrollees are covered in private managed care health plans. CHIP provides private health care to people who cannot afford to purchase it themselves, but it charges premiums and co-pays.

"Crowd out" of private coverage is limited in CHIPRA. The Congressional Budget Office (CBO) estimates that one-third of children who will enroll in CHIP through funds provided by CHIPRA will have previously been covered by privately-financed insurance. While that sounds like a high number, the CBO director has noted that crowd out is inevitable in any attempt to cover uninsured children. He has said that he has "not seen another plan that adds [as many] kids to SCHIP with a 33 percent crowd-out rate. This is pretty much as good as it is going to get."

CHIPRA does not provide coverage to illegal immigrants. The bill reiterates current federal law which prohibits coverage to illegal immigrants. The bill does amend current citizenship documentation requirements, which have been shown to create a barrier to health-care coverage for U.S. citizens — especially children — who are eligible for health insurance through Medicaid. According to the Director of the Iowa Department of Human Services, "The largest adverse effect of this policy has been on people who are American citizens ... we have not turned up many undocumented immigrants receiving Medicaid." CHIPRA allows applicants to prove their citizenship by providing a Social Security Number (SSN). The Social Security Administration would verify the SSNs against applicants' names and citizenship status.