



***The Children's Health Insurance Program Reauthorization Act of 2009:* A NEW EFFORT TO GET KIDS THE HEALTH CARE THEY NEED**

The 2009 Chairman's Mark to renew and improve the Children's Health Insurance Program (CHIP) combines the best elements of two CHIP bills passed by Congress in 2007. In 2007, HR 976 was the first bicameral, bipartisan agreement to renew and improve CHIP. HR 3963 was subsequent compromise legislation crafted in an effort to move CHIP reauthorization forward after a presidential veto of HR 976 was sustained.

The 2009 Chairman's Mark on CHIP generally reflects HR 976 as agreed to by the Senate and the House in September 2007. However, updates have been made to respond to new Congressional Budget Office scores, and to retain key bipartisan elements of HR 3963. Information on notable differences from HR 976 as passed in 2007 follows here:

New Dates of Authorization

- The Chairman's Mark reauthorizes an improved Children's Health Insurance Program for four and a half years, through September 30, 2013. 2007 legislation contained a five-year reauthorization. The Chairman's Mark changes the duration of authorization to harmonize CHIP authorization with the fiscal year.

New Cost Estimates from the Congressional Budget Office

- The Chairman's Mark has a score of \$31.5 billion over four and a half years. The bill remains fully funded with an increase in tobacco taxes.

New Coverage Estimates from the Congressional Budget Office

- The Congressional Budget Office estimates that the proposal will preserve CHIP coverage for 6.7 million children currently covered, and that an additional 3.9 million uninsured, low-income children will receive coverage.

Elements Retained from HR 3963 (2007)

- States may send an applicant's name and Social Security number to the Social Security Administration (SSA) to evaluate citizenship for purposes of CHIP enrollment. If SSA records indicate that the applicant's information is inconsistent with citizenship, then the applicant will be required to provide the state with additional documentation to confirm eligibility just as required under the current law citizenship documentation requirements. The citizenship documentation requirement in 2007's HR 3963 for modified requirements first included in HR 976 to be more consistent with SSA's processes.

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Elements Retained from HR 3963 (2007) - Continued

- States may receive “bonus” payments for enrolling additional uninsured children in Medicaid only. This proposal in 2007’s HR 3963 limited the scope of bonus payments that HR 976 originally allowed for new enrollments in CHIP as well. The change reflected Congressional Budget Office estimates that the bonuses would most effectively focus enrollment efforts on the lowest-income children if targeted toward Medicaid coverage.
- As added in HR 3963, states will be able to count offering premium assistance – subsidies to help families purchase available private coverage for children, rather than enrolling them in CHIP – as one of the policies they may implement to qualify for bonus payments.
- Coverage for childless adults reflects the policy in HR 3963, which ends funding for childless adult coverage in CHIP within one year.
- Nothing in the CHIP reauthorization act allows federal funding to be spent on illegal aliens, as clarified in HR 3963.

Further Changes

- Changes to bonus structure will make the larger of two levels of bonus payments (15 percent and 62.5 percent) available to states once Medicaid enrollment levels reach 10 percent above target, rather than three percent in 2007 legislation.
- The proposed tax on roll-your-own tobacco corrects a miscalculation in the 2007 bills. Other slight revisions to tobacco tax increases have also been made.