

**Senators John Chafee (R-RI) and Jay Rockefeller (D-WV)**  
**Children's Health Insurance Provides Security (CHIPS) Act**  
**April 24, 1997**

**FACT:** 10 million children don't have health insurance. Numerous studies have shown that uninsured children are less likely than insured children to get needed health and preventive care. Children without health insurance or with gaps in coverage are less likely to have routine doctor visits or to have a regular source of medical care, and they are less likely to be appropriately immunized.

**FACT:** One-third of all uninsured children are eligible but not enrolled in Medicaid. Only 25 percent of children in families with incomes below 150% of poverty have employer-sponsored health insurance. Bipartisan legislation enacted over the past decade delinked Medicaid coverage from welfare and, as a result, made Medicaid coverage available to millions of children in working families. Over 60% of children on Medicaid have at least one parent who works.

**FACT:** Under current law, Medicaid coverage is guaranteed up to 133% of poverty for pregnant women, infants, and children up to the age of 6, and up to 100% of poverty for 7- to 13-year-olds. As a result, millions of children lose their health insurance on their 7th birthday without any change in their family's circumstances.

**FACT:** Current law phases older children (age 14 through 18) into the Medicaid program one year at a time. By the year 2002, children up to the age of 19, whose families earn up to 100% of poverty, will be eligible for Medicaid.

**What the CHIPS Act Accomplishes**

**Improves Medicaid Enrollment**

*Outreach efforts aim to enroll 3 million children already eligible for Medicaid.*

**1.) States would have the option to guarantee Medicaid enrollment for a full year.** Under current law, continuous coverage is required for infants and pregnant women (but not children). Continuous enrollment offers managed care plans an incentive to provide preventive and primary care services to Medicaid enrollees.

**2.) State Outreach Grant program.** \$25 million a year would be made available to states to improve enrollment in the Medicaid program, including activities related to the use of a common application form or to expand the use of outreach stations.

**Creates Cost-Effective and Targeted Expansions**

*Nearly 2 million more uninsured children are in working families with incomes between 100% and 150% of poverty (\$16,000 to \$24,000 for a family of four).*

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**The legislation provides federal financial incentives to encourage states to provide uniform Medicaid coverage up to 150% of poverty for children of all ages.**

Once a state covers all of its children through the age of 18 up to 100% of poverty (an acceleration of current law phase-in) and guarantees 12 months of eligibility for all children, a state would be eligible to receive an enhanced federal match for coverage expansions (above current law income standards) for pregnant women and all children up to 150% of poverty.

Estimated Total Cost: \$15 billion over 5 years.