

New Legislation Reauthorizes Children's Health Insurance Program

On February 4, 2009, President Barack Obama signed into law the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). CHIPRA reauthorizes the popular state Children's Health Insurance Program (CHIP) through September 30, 2013, expanding the program to provide health insurance to an estimated 6.2 million additional children.

In addition to expanding the number of children covered, CHIPRA includes a number of significant changes:

- **Coverage of Immigrant Children.** Prior to CHIPRA, legal immigrants were precluded from enrolling in Medicaid or CHIP during their first five years of legal residence in the United States. CHIPRA allows states to waive this enrollment restriction for children and pregnant women provided lawful residence can be established. CHIPRA also eases Medicaid and CHIP citizenship verification requirements.
- **Dental Benefits and Mental Health.** CHIPRA requires states to provide dental coverage for CHIP enrollees and includes an option for states to use CHIP funds to provide dental coverage to underinsured children. The law also requires comparability in CHIP between mental health and medical and surgical benefits.
- **Coverage of Low-Income Children.** CHIPRA includes a number of initiatives to improve coverage and enrollment of low-income children, including a performance bonus system for states that adopt measures to streamline enrollment and an option for states to use findings from other agencies to establish eligibility (Express Lane Eligibility).
- **Coverage of Pregnant Women.** CHIPRA requires states to meet certain requirements in order to cover pregnant women through CHIP. In particular, states must use Medicaid to cover pregnant women with incomes up to at least 185 percent of the federal poverty level (FPL) and must use either Medicaid or CHIP to cover children in families with income up to at least 200 percent of the FPL.
- **Coverage of Parents and Childless Adults.** CHIPRA phases out CHIP coverage for parents and removes CHIP coverage for non-pregnant childless adults, both of which previously had been permitted through state applications for waivers of CHIP requirements. Under the new law, no new state waivers to cover parents or non-pregnant childless adults will be permitted. Existing waivers for coverage of parents will be extended through September 30, 2011. A state may continue to cover parents through 2012 or 2013, but such coverage will be funded by a block grant removed from the CHIP allotment and will be subject to numerous restrictions. For non-pregnant childless adults, CHIP funding is available only through December 31, 2009. States may request to continue to provide medical assistance to these adults through the Medicaid program.
- **Premium Assistance.** CHIPRA contains a new state option to subsidize employer-sponsored health coverage that includes children.
- **Payment and Access Commission.** CHIPRA amends the Medicaid statute to create a new commission, the Medicaid and CHIP Payment and Access Commission (MACPAC), to review Medicaid and CHIP policies affecting children's access to covered items and services.

Notably, unlike the version of the legislation passed by the House of Representatives, the legislation signed into law does not include a provision that would have placed restrictions on physician-owned specialty hospitals.

Contact Ropes & Gray

If you have questions about CHIPRA or related health care policy and reform issues, please contact your usual Ropes & Gray attorney.

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