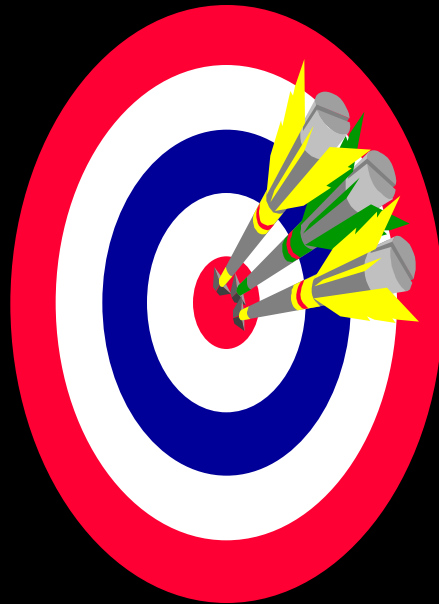


CHIP

State Children's Health Insurance Program



A Policy Dart Board

Deborah Heath, D.O., Phoenix, AZ

We'll Talk About ...

- ➡ Access
- ➡ Policy response
- ➡ Political response
- ➡ Proposed legislation
- ➡ Competing priorities
- ➡ Quality and Cost

And the effects upon the
Poverty Cycle

The Issue

The CHIP Program has not expended all funds

Should ...

The startup period be extended? Or ...

Should unexpended funds be reallocated?

What Is CHIP?

- ☺ Major expansion of Medicaid.
- ☺ For kids under 200% of poverty.
- ☺ Expands Medicaid eligibility to 200% FPL.

- \$ Significant new Federal money (cigarette tax).
- \$ States must contribute matching funds .

Services Offered

- 😊 Preventive services
- 😊 Outreach activities
- 😊 Medical, vision & dental health
- 😊 Evaluation & address access/quality

Progress To-Date

- 😊 Operational in all states
- 😊 2 million children enrolled
- 😊 Expands eligibility requirements

- 😞 “Slow” startup
- 😞 Enrollment still cumbersome
- 😞 41 states forfeit funds?

The Argument

The D's and the L's say EXTEND ... the programs have not had enough time to "work"

The R's and the C's say REALLOCATE ... perhaps the program is "overfunded" and may be too costly to "find" all the uninsured.

Health Care Access



The Uninsured

LESS

likely to have :

Recent physician visit

Regular source of care

Use preventive health

MORE

likely to:

Use hospitals and ER

Have health problems

The Uninsured

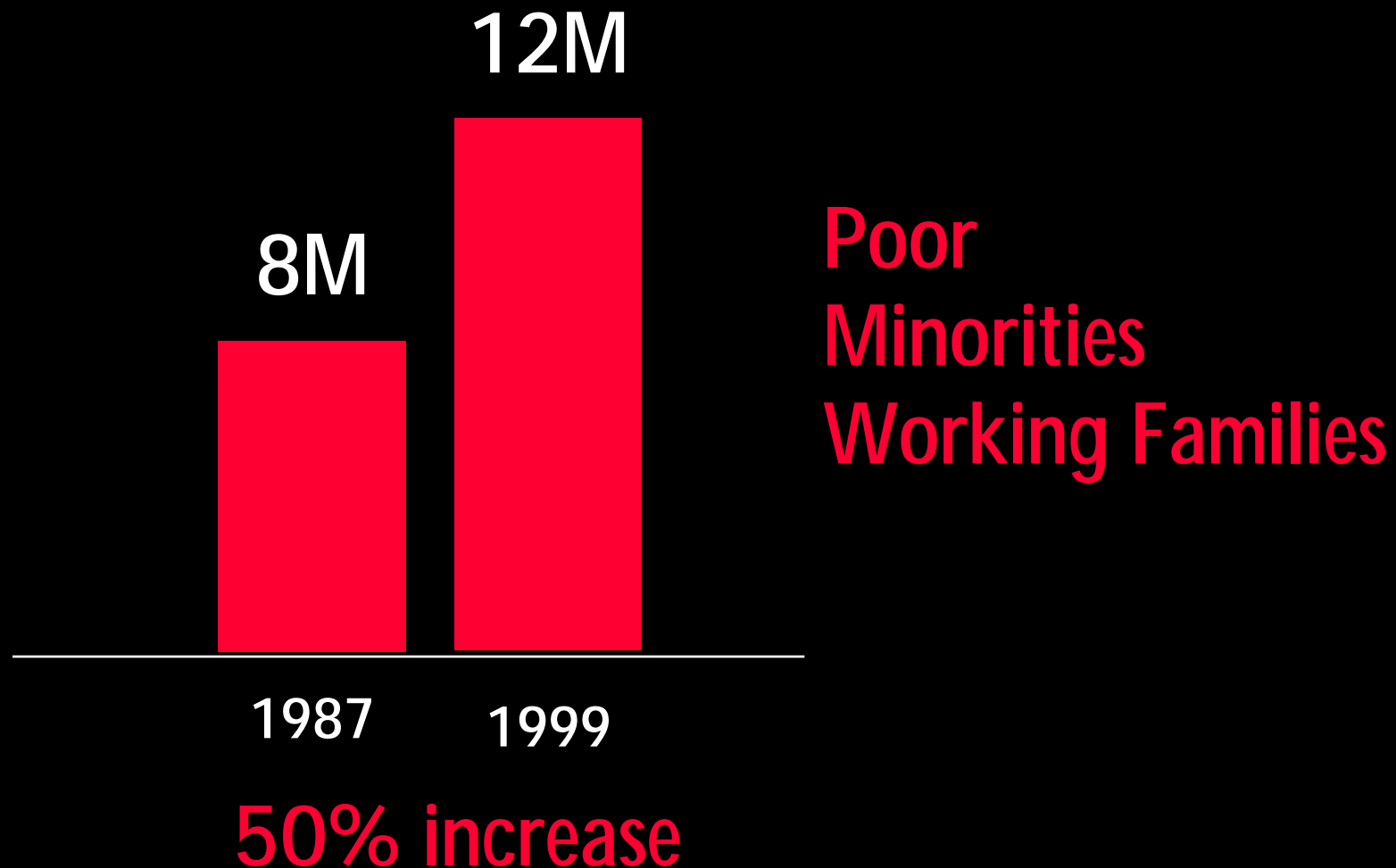
Most are employed (80%)

48% job did not cover it

36% unemployed or in-between jobs

16% can't get coverage; don't know how; too costly

Uninsured Children



Uninsured Children

66% are above poverty level

But ... 70% below 200% of poverty

That is 3.2 million children between 100-200% of Federal Poverty Level.

Policy Response



CHIP Initiative

\$48 billion of cigarette tax money

Largest Medicaid expansion since '65

Low-income children targeted

Political Response



A Wedge Issue?



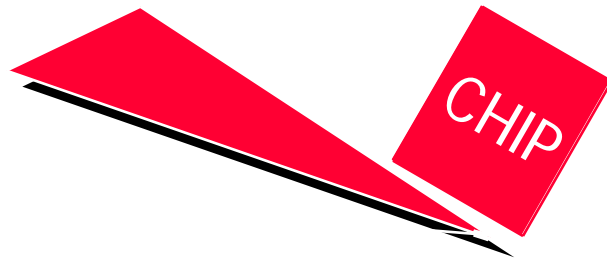
Democrats

Expand CHIP to 250% FPL
Low-income parents buy-in

Republicans



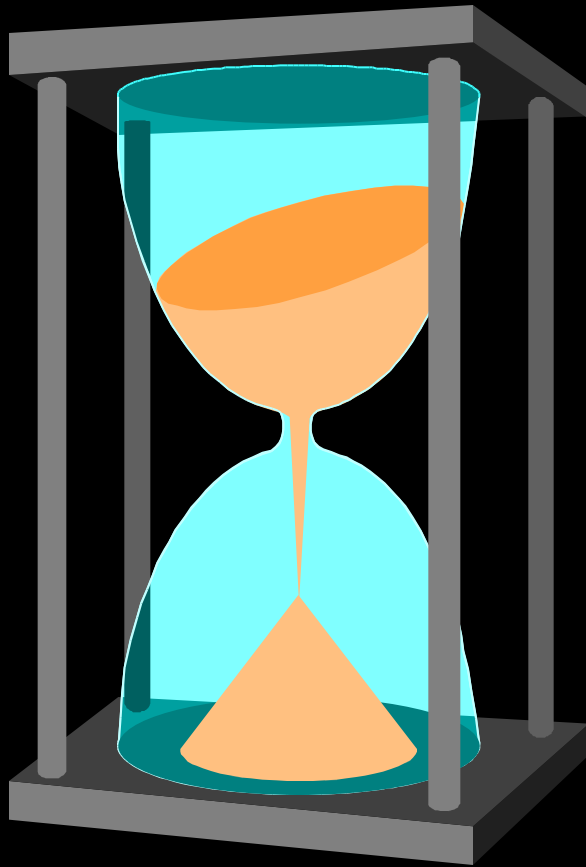
Return CHIP to original
design as a flexible block-
grant program



Pending Legislation



Time Is Running Out



12/31/00 Deadline
Funds Reallocated?
\$4 billion loss?
... or ...

S.2434

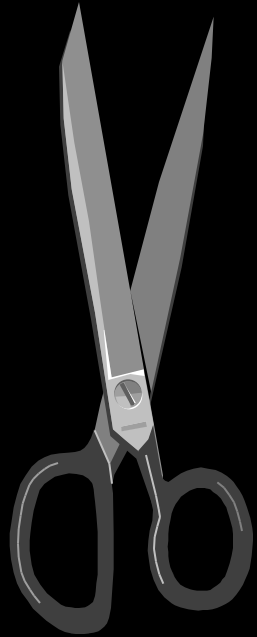
CHIP Preservation Act (Senator Chafee)

Extends the deadline to FY2002

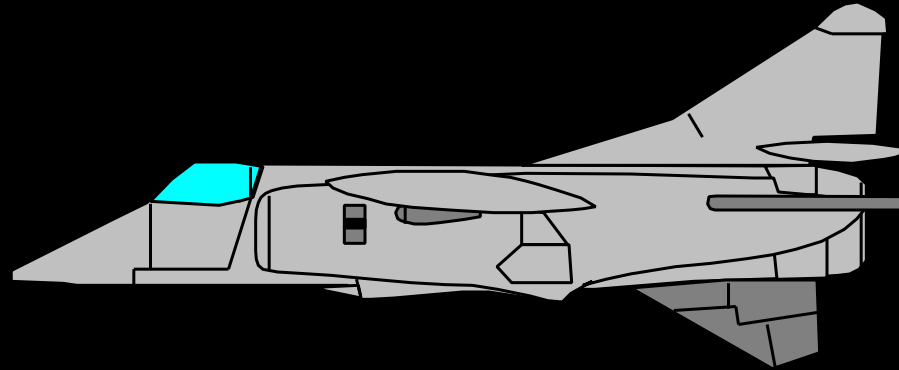
Averts loss of \$4 billion

Competing Priorities





Tax Cuts vs. New Spending



Defense vs. Social Programs

And Always ...

Bigger-smaller government

Reduce national debt

Election year posturing

Quality & Costs



Quality

Specific surgical therapies

JAMA 2344-46,1990

Pervasive negative stereotypes

Health Care Women Intl.149-59,1996

Language barriers

Jlaw&PubPol 93/94

Costs

- ☹️ Increase hospitalizations for asthma
- ☹️ Prenatal care, high risk for pre-term infant and low birth weight or very low birth weight
- ☹️ \$58 K for LBW
- ☹️ \$274 K for VLBW

Uninsured
Poor/Minorities

Lower
Incomes

Rely Upon
ER Care

Poverty Cycle

Poor
Education

Poor
Prenatal Care

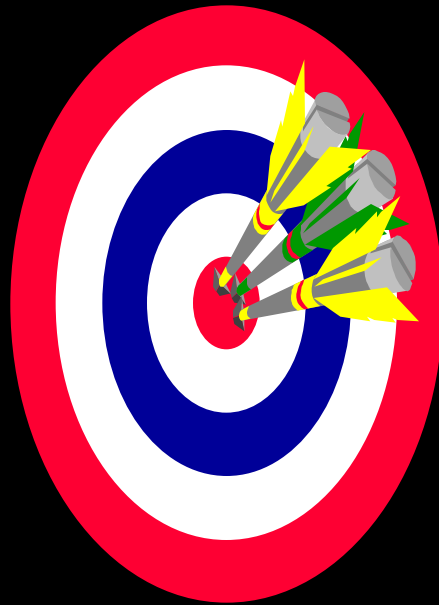
Other
Preventable
Health Problems

Let's Review

**Insured (CHIP)
Poor/Minorities**

**Obtain
Better
Jobs**

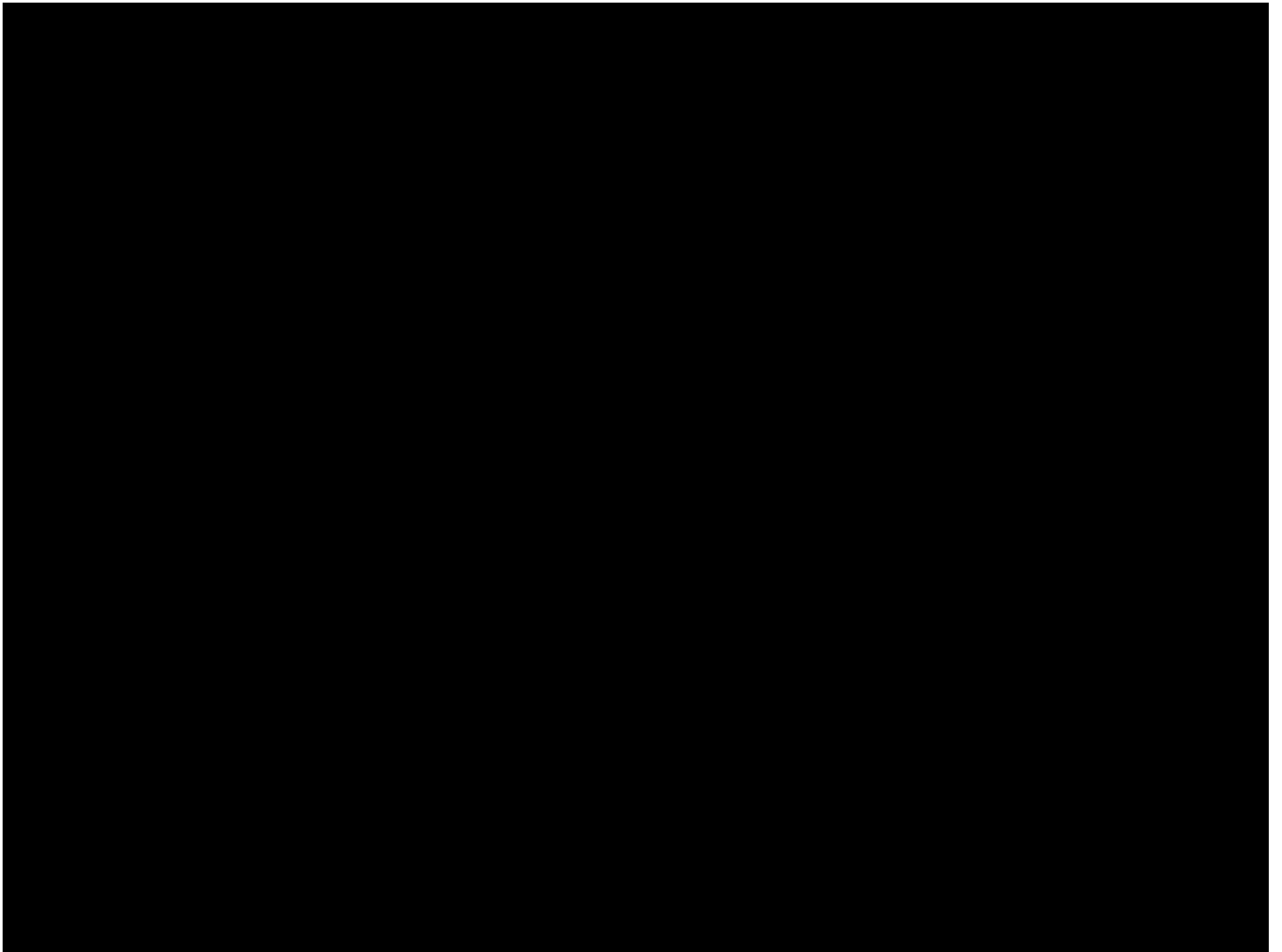
**Use
Identified
Physician**



**Better
Skills &
Education**

**Better
Prenatal/Kids
Care**

**Treat
Preventable
Health Problems**



Honest Public Policy?

- ⦿ Low income workers smoke
- ⦿ Children of low income workers uninsured
- ⦿ So ... low income smokers are taxed
- ⦿ ... to buy their children insurance!

DUH?