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Children's Defense Fund



CHILDREN'S
HOSPITAL
ASSOCIATION



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**Statement of Leading Children's Health, Medical and Advocacy Organizations:
Congress' Failure to Secure Funding for the Children's Health Insurance Program
Before September 30th Leaves Health Coverage for Nine Million Children in Jeopardy**

As advocates for children and pregnant women, we are deeply distressed by Congress' failure to extend funding for the Children's Health Insurance Program (CHIP) by the September 30th deadline. To depart Washington before this deadline without taking action to extend CHIP funding is irresponsible, and forces the families of the 9 million children who rely on the program to face an uncertain future. As such, we are urging the immediate passage of the Keep Kids' Insurance Dependable and Secure (KIDS) Act of 2017.

CHIP is a bipartisan success story that should be celebrated. The program was created in 1997 and has been championed by lawmakers on both sides of the aisle since its beginning. Together with Medicaid, CHIP has helped to reduce the number of uninsured children by a remarkable 68 percent, with more than 95 percent of all children in America currently being enrolled in some form of insurance coverage. Nineteen states also use CHIP to extend coverage to pregnant women, removing barriers to pregnancy coverage and prenatal care for about 370,000 women each year. This proven track record of providing high-quality, cost-effective coverage for low-income children and pregnant women in working families must be continued. The bipartisan KIDS Act would do just that and should be approved when Congress returns.

The September 30th deadline is not arbitrary; it has real implications for real families. States are taking action now to modify or end their programs because of continuing uncertainty. [In her testimony to the Senate Finance Committee on September 7th](#), Linda Nablo, Chief Deputy Director of the Virginia Department of Medical Assistance Services and former Virginia CHIP director, emphasized that "there are serious consequences looming if [Congress] delays reauthorization— even for a few months." While

the Medicaid and CHIP Payment and Access Commission (MACPAC) estimates that Virginia's CHIP allotment will not be exhausted until March, issues with health plan payment, adequate notice requirements, eligibility worker training, and system changes will require the state to start taking action in October in anticipation of exhausting their funding. Similarly, Cathy Caldwell, who runs the CHIP program in Alabama, said the state "is in the process of developing a contingency plan of shutting down our separate CHIP program."

And while some states are talking about the actions they will need to take in the upcoming weeks to prepare for their funding to end, other states are already beginning to act. The Minnesota State Health Department [sent a letter](#) to Congress warning that its CHIP funding would expire on September 30 and it would have to take "extraordinary measures" to continue coverage in October, including the possibility that pregnant women could "be at risk of losing coverage all together." Earlier this month, [Colorado issued a notice](#) on its website that CHIP funding might end. Utah officials say they [will end their CHIP program](#) if Congress doesn't provide new funding. Under current law, Arizona can choose to discontinue its CHIP program if funding from the federal government ends. In the states mentioned above, and many others, funding that is meant to provide care for children and pregnant women will be wasted on processes that states must undertake to shut down their programs because Congress has failed to act in a timely manner. This is a waste of taxpayer dollars.

Families who rely on CHIP already face uncertainty and challenges, whether managing a complicated health condition for their child or determining how to afford day-to-day living expenses. The last thing these families need is added uncertainty about the future of their children's medical and dental coverage or whether they will have continued access to necessary prenatal care services. By not acting in a timely manner to extend CHIP funding, Congress has caused them to face the threat of losing coverage altogether. Moreover, the patchwork of state funding deadlines means that a child's or pregnant woman's access to continued CHIP coverage will depend on his or her ZIP code.

Our children and pregnant women deserve better. We urge our nation's leaders to immediately enact the Keep Kids' Insurance Dependable and Secure (KIDS) Act of 2017 as an important opportunity for meaningful, bipartisan action; the health of 9 million children and pregnant women depends on it.