



# Summary of Medicaid and CHIP Provisions in Health Reform Legislation

## Medicaid

- Expands Medicaid to all individuals under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% FPL (effective 2014).
- Creates a new Modified Adjusted Gross Income (MAGI) standard which will be defined as an individual's or family's gross household income with some adjustments and will apply to newly eligible individuals as well as those who qualify under existing eligibility.
- Beginning in 2014, running through fiscal year 2016, the federal government will pay 100% of the cost covering newly eligible adults. In subsequent years the federal match will be 95% in 2017, 94% in 2018, 93% in 2019 and 90% in 2020 and future years.
- States will be required to maintain existing Medicaid eligibility levels for non-elderly adults, in effect on March 23, 2010 until 2014. Beginning in 2011, states with budget deficits can seek an exemption from this maintenance of effort requirement.
- The Medicaid benefit package and cost-sharing rules will continue as under current law.

## Children's Health Insurance Program (CHIP)

- Expands Medicaid coverage for children with income up to 133% FPL (currently Medicaid covers children up to age 6 up to 133% FPL, and children 6 through 18 up to 100% FPL).
- States will be required to maintain existing CHIP eligibility and program simplifications in effect on March 23, 2010. States put themselves at risk of losing ALL federal match if they violate this rule.
- The CHIP benefit package and cost-sharing rules will continue as under current law.
- CHIP continues through 2019 with full federal funding through FY 2015 (two years beyond its current expiration date).
- If, after 2014, a state runs out of federal CHIP funding, children may be enrolled in Exchange plans with comparable coverage and allow for parents to be eligible for tax credits and affordability credits.
- The Secretary of HHS will be required to review and certify plans in the Exchange to identify which plans in the Exchange provide CHIP-comparable coverage.
- There will be increased federal financial assistance for CHIP starting October 1, 2015, of 23 percentage points, up to a maximum of 100% in their CHIP match rate. In Illinois this would provide us with a CHIP match of 88%.
- Extends and renews CHIP enrollment and renewal activities.
- Creates a new state option to provide CHIP coverage to the children of state employees if the employee's premium and cost sharing contributions exceed 5% of the family's income.

*Information compiled from the [Georgetown Center for Children and Families](#) and the [Kaiser Family Foundation](#) (updated 3-31-10)*