California’s Children’s Health Insurance Program (CHIP) is a federal and state partnership designed to provide low-income children with health insurance coverage. The program improves access to health care services and quality of life for nearly 1.3 million California children under 19 years of age.

Congress established CHIP through the Balanced Budget Act of 1997 to expand health insurance coverage to uninsured low-income children. Federal CHIP funds are capped and allotted annually to states based on a specific formula. States are entitled to an enhanced federal matching rate, ranging from 65 percent to 85 percent. As part of the Patient Protection and Affordable Care Act of 2010, the enhanced rate was increased 23 percentage points, raising California’s rate from 65 percent to 88 percent.

Children enrolled in California’s CHIP account for 25 percent of all enrolled Medi-Cal children, and 13 percent of all California children, between the ages of 0 and 18. Nearly one-third (32 percent) are between the ages of 10 and 14. Most of these children participate in Medi-Cal’s managed care delivery system (94 percent), and a majority are of Hispanic race/ethnicity (61 percent).

While Congress extended funding for CHIP until the end of March 2018, a final resolution needs to be passed that will stabilize program funding for at least the next five years. Schools rely on the CHIP program to help cover the medical costs of children with special needs – physical, mental and emotional – and to ensure that students from low socio-economic families are able to address any health needs that may impact their ability to learn.

TALKING POINTS:

- In order to ensure that the health needs of children allowing them to fully participate in education, CHIP must be reauthorized for at least five years.

- CSBA strongly supports the CHIP program and urges Congress to approve further funding for the program.