



The Daily Dish

# CHIP Reauthorization

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Yesterday the [Trump Administration](#) announced that the current nitrogen dioxide pollution concentration standard will stay in place. The Environmental Protection Agency's (EPA) review of the standard, which was put into place in 2010, found that it provides "appropriate public health protection." The EPA will open the standard for public comment before finalizing their decision.

Yesterday the [Federal Trade Commission \(FTC\)](#) submitted a comment in support of the Federal Communications Commission's (FCC) "Restoring Internet Freedom" plan. The FCC's plan would return to the FTC the authority to regulate broadband providers. In 2015 the regulatory authority to regulate broadband providers was given to the FCC under the Obama Administration's Open Internet Order.

## *Eakinomics: CHIP Reauthorization*

Among the casualties of the drama over the "repeal and replace" efforts in the House and Senate has been any attention to other pressing issues in health policy. How much time did you spend at your last cocktail party discussing the Prescription Drug User Fee Act (PDUFA)? With faster FDA approvals of prescription drugs on everyone's wish list, you'd think the main financing mechanism would be on everyone's lips.

Perhaps even more interesting is the fate of the Children's Health Insurance Program ([CHIP](#)), which dates to 1997 and needs funding renewed by the end of August. CHIP was created to cover kids in the gap between those low-income populations where children were covered by Medicaid and the more affluent families who could afford private health care insurance. For years, CHIP funding and reauthorization was a bipartisan love fest.

Then along came the Affordable Care Act (ACA). Now, you might think that the ACA would get rid of the need for CHIP. After all, with the individual mandate, every parent (and child) would be required to be covered, and coverage would be available from either Medicaid, the individual market, or employer-sponsored insurance. Not so fast. A [loophole](#) created by the Obama Administration's implementation of the ACA means that as long as an employer offers 'affordable insurance' to their employee, their obligations under the ACA are satisfied. They have no need to worry about coverage for the employee's family, and that family would be ineligible for subsidies if they purchase on the exchanges.

In 2014, the so-called "family glitch" could have affected as many as 2.28 million CHIP eligible children – 1.6 million who are currently enrolled in CHIP, and another 645,000 who are not enrolled but are eligible. How will the CHIP population be treated in the future? There is no explicit discussion of CHIP in either the House or Senate bill, so presumably the game plan is to simply renew the program. But when?

And at what cost? One of the features of the ACA was to ramp up the federal contribution to CHIP. The law authorized a 23-percentage point increase to the federal contribution rate from 2016 through FY2019, increasing the average CHIP matching rate to 94 percent in 2017. The law also requires that states continue offering Medicaid and CHIP at 2010 eligibility levels until 2019, but did not provide the increased matching rate money

to do so. How much money will Congress provide?

It might seem like knowing what AHCA and BCRA stand for would give you the conversation ammunition to get through dinner. Unfortunately, there is more to health policy than repeal and replace, so better add CHIP discussions to the menu.