



California

2014 CHIP Fact Sheet

The Children's Health Insurance Program (CHIP) was created in 1997 to provide quality health coverage for children under 19 in families that earned too much to qualify for Medicaid, but were unable to afford coverage in the private market. Each state has the option to cover its CHIP population under its Medicaid program, design and structure a separate CHIP program, or establish a combination program using both options.

The Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 strengthened the program through increased federal funding, new outreach and enrollment opportunities, mental health parity, the requirement to cover dental care, and other provisions. In 2010, the Affordable Care Act (ACA) extended CHIP funding through federal FY 2015 and required states to maintain Medicaid and CHIP eligibility levels and processes for children through 2019.¹

Participation Rate: 87 percent of eligible children in California participated in either Medi-Cal or HFP in 2011, the last year for which we have national data. The national average was 87.2 percent in 2011.²

Eligibility Levels: States establish CHIP eligibility levels within federal rules. Under ACA maintenance of effort requirements, they must maintain CHIP eligibility levels in place when ACA was enacted until September 30, 2019. Beginning in 2014, eligibility levels for CHIP were revised based on [Modified Adjusted Gross Income \(MAGI\)](#).

MAGI Eligibility Levels for CHIP in California (by Age Group) in 2014		
Ages 0 – 1	Ages 1 – 5	Ages 6 – 18
208-261% FPL	142-261% FPL	108-261% FPL

Note: Eligibility levels do not include the mandatory 5% income disregard. Data provided by state. Children 0-18 in three California counties, San Francisco, San Mateo, and Santa Clara are covered up to 317% percent FPL (without 5% disregard). Conception to birth coverage is also offered under the CHIP unborn child option.

Benefit Package: States that operate Medicaid expansion CHIP programs must follow Medicaid rules, including providing all Medicaid covered benefits to enrolled children. States in separate CHIPs have substantial flexibility in designing CHIP benefit packages within broad federal guidelines. In addition to general medical and dental benefits, other benefits offered in California's CHIP include (but are not necessarily limited to):

- Inpatient and outpatient behavioral health services
- Physical and occupational therapy
- Vision exams and corrective lenses
- Services for speech, hearing, and language disorders
- Hearing exams and hearing aids
- Durable medical equipment

Delivery System: The provider network in HFP was similar to Medi-Cal Managed Care plans therefore a majority of the transitioned children have been able to maintain access to the same primary care providers they had while enrolled in HFP.

Key Highlights:

Program Type: California operates a Medicaid expansion CHIP, called the Optional Targeted Low Income Children Program (OTLICP).*

Number of Children Covered: In FY2013, 1,603,283 children were covered by HFP.**

California's Enhanced Federal Match Rate: For FY2014, the federal match is 65.00 percent, and for FY2015 it is 65.00 percent.

*California previously operated a combination CHIP called the Healthy Families Program (HFP). During 2013, all children enrolled in HFP were transitioned to the state's Medicaid program (Medi-Cal) under OTLICP.

**Data from Medicaid and CHIP Payment and Access Commission March 2014 MACStats report.

¹ Information in this fact sheet has been verified by the state.

² Genevieve Kenney et al., *Medicaid/CHIP Participation Rates Among Children: An Update*. September 2013. http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2013/rwjf407769

Premiums & Cost Sharing: Within federal parameters, states can set CHIP premium and cost sharing levels. In total, any family contribution to the cost of coverage cannot exceed five percent of family income.

Premiums and Selected Cost Sharing in OTLIP, 2014

Family Income Level	Premiums	Office Visits	Inpatient Services	Prescription Drugs
160-261% FPL	\$13 per child/month*	None	None	None

*Maximum of \$39 per month for all children in household. Families of infants from ages 0-1 do not pay a monthly premium in a household with income up to 261% FPL. Children between age 1 up to age 19 in a families with income below 160% FPL do not pay premiums. Note: Included 2014 cost sharing provided by the state due to program changes in 2013.

Efforts to Simplify Enrollment and Renewals: CHIPRA established a five-year incentive program to support state efforts to simplify enrollment and renewal of eligible children in Medicaid and CHIP.³ From FY2009 - FY2013, California did not qualify for incentive payments.⁴

Enrollment and Renewal Strategies Implemented in California, as of December 2013

Strategy	Used	Strategy	Used
Elimination of in-person interview*	✓	Use of presumptive eligibility	✓
Elimination of asset test*	✓	Use of 12-month continuous eligibility	✓
Use of joint application and renewal forms*	✓	Use of express lane eligibility ⁵	
Automatic/Administrative renewal*	✓	Premium assistance	

*ACA requires states to implement this strategy beginning January 2014. For definitions of strategies in this chart, see the Centers for Medicare and Medicaid Services December 2009 State Health Official letter, available at http://www.insurekidsnow.gov/images/sho_letter.pdf.

Other Program Characteristics: Below are some other key program characteristics of California's CHIP.

Does California...	
Require a waiting period? ⁶	No (as of 1/1/14) ⁷
Offer a buy-in option? ⁸	No
Cover dependents of public employees? ⁹	No
Cover lawfully residing children without a five-year waiting period? ¹⁰	Yes

Source: *Getting Into Gear for 2014: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP, 2012-2013*, <http://kaiserfamilyfoundation.files.wordpress.com/2013/05/8401.pdf>.

Quality Measures: States may report on a "[core set](#)" of quality measures for children. California reported on 12 measures for federal FY 2012. Among the measures is access to primary care providers, listed below.

Percentage of Children and Adolescents Visiting a Primary Care Provider, by Age (FY 2012)

	12-24 months	25 months – 6 years	7-11 years	12-19 years
California	98.1%	90.4%	91.2%	91.8%

Source: Department of Health and Human Services, *2013 Annual Report on the Quality of Care for Children in Medicaid and CHIP, September 2013*. The measure is for the percentage of children ages 12 to 24 months and 25 months to 6 years receiving a visit to a primary care provider within the past year; and every two years for children ages 7 to 11 years and 12 to 19 years. These data include CHIP only.

³ To qualify for incentive payments each fiscal year, states had to implement at least 5 out of 8 specified strategies and increase child enrollment in Medicaid above a state-specific target level.

⁴ www.insurekidsnow.gov "CHIPRA Performance Bonuses: A History (FY 2009 – FY 2013)." <http://www.insurekidsnow.gov/professionals/eligibility/pb-2013-chart.pdf>

⁵ State indicated this strategy was implemented in January 2014.

⁶ States may implement waiting periods up to 90 days in CHIP. A waiting period is the length of time a child must be uninsured before s/he can enroll in CHIP.

⁷ Information on waiting periods verified by state. Prior to January 2014, HFP had a three-month waiting period.

⁸ States can allow families, with incomes above the upper income eligibility limit, to pay the full cost to purchase coverage for their uninsured children through CHIP.

⁹ CHIPRA provided states the option to cover the income-eligible dependents of state employees under CHIP.

¹⁰ CHIPRA provided states the option to remove the five-year waiting period for lawfully residing children.