

# Medicaid & CHIP

## What's the Difference?

Medicaid and the Children's Health Insurance Program (CHIP) are both:

- Public insurance programs that cover children
- Jointly funded by a combination of state and federal matching dollars
- An important source of care and coverage for 35.9% of CYSHCN

But there are **some important differences** between these two programs.

### Medicaid

### CHIP

Required for ages 0–6 for family income up to 133% of the federal poverty level (FPL) Required for ages 6–19 up to 100% FPL <i>Note: States may set income limits higher than the federal requirements noted above.</i>	Children's eligibility	For uninsured children, 0 – 19, with family income too high for Medicaid (varies by state). <i>Note: States receive enhanced matching funds up to 300% FPL; for higher income eligibility, states receive the Medicaid match rate (FMAP)</i>
FMAP ( <a href="http://mchb.hrsa.gov/epsdt/overview.html">http://mchb.hrsa.gov/epsdt/overview.html</a> )	Federal match rate	eFMAP ( <a href="http://kff.org/other/state-indicator/federal-matching-rate/">http://kff.org/other/state-indicator/federal-matching-rate/</a> )
Guaranteed – no cap	Federal funding	Capped amount
Not permitted	Waiting lists	Permitted
Yes	Dual private & public coverage allowed?	No
Full Medicaid benefits including EPSDT ( <a href="http://mchb.hrsa.gov/epsdt/overview.html">http://mchb.hrsa.gov/epsdt/overview.html</a> ) mandate. <i>Note: CYSHCN may not be mandatorily enrolled in benchmark coverage.</i>	Benefits	May receive benchmark coverage, no mandate for EPSDT
Generally not, but states may charge for family income > 150% FPL	Premiums & co-payments allowed?	Generally yes

#### What do these differences mean for Amy?

Amy, age 5, has special health care needs. She lives in a state that uses the federal minimum income guidelines to determine Medicaid eligibility. Her family's income is 120% FPL. If Amy's family has access to employer-sponsored health insurance, she could be dually insured by both private health insurance and Medicaid. Medicaid would fill an important health care and financing gap by providing wrap around coverage for additional services that the private insurance limits or does not cover. And, as the secondary payer, Medicaid significantly reduces a family's out-of-pocket costs by picking up the difference between what private health insurance pays and a family's out-of-pocket expenses due to any deductible, co-insurance, and co-payments for the covered family member.

#### What will change when Amy turns 6?

##### If her family has no other health insurance

**Benefits:** Amy is eligible for CHIP, but she will lose the EPSDT benefit and may not receive medically necessary services, or her family will incur the full cost of those services out of pocket.

**Waiting lists:** If the state exceeds its allotted CHIP funding, they can put Amy on a waiting list and she will be without coverage.

**Premiums & co-pays:** Her family will incur higher health care costs because most state CHIP programs charge monthly premiums and co-pays for children.

##### If her family has other health insurance

Amy will not be eligible for CHIP. Her family's cost-sharing for her health services will be even higher, because in general:

- Private health insurance premiums and co-pays are higher than for CHIP
- Private health insurance has a deductible, CHIP does not

#### Will this change in January 2014?

Yes! The Affordable Care Act (ACA) mandates a change in Medicaid income eligibility for children ages 6–19. Medicaid eligibility for all children, birth through age 18 will be 133% FPL, although many states use a higher income eligibility level than the federal minimum. Find out your state's income eligibility for Children's Medicaid and CHIP at <http://kff.org/medicaid/state-indicator/income-eligibility-fpl-medicaid/>

Learn more:

<http://www.hdwg.org/catalyst/publications/medicaid>



Meet Amy  
Age: 5  
Family income:  
120% FPL