ITUP Insure the Uninsured Project

Fact Sheet

November 2017

Championing Healthy Kids Act
Summary of H.R. 3921 and H.R. 3922

On Friday, November 3, the U.S. House of Representatives passed the "Championing Healthy Kids Act" (Act), combining H.R. 3921 and H.R. 3922. The Act reauthorizes funding for two programs that expired October 1 – the Children's Health Insurance Program and federal grant funding for community health centers – offsetting the costs with reductions in other important health programs. The issue now moves to the Senate where a similar bill is pending that does not include any spending offsets.

REAUTHORIZED PROGRAMS

Children's Health Insurance Program (CHIP)

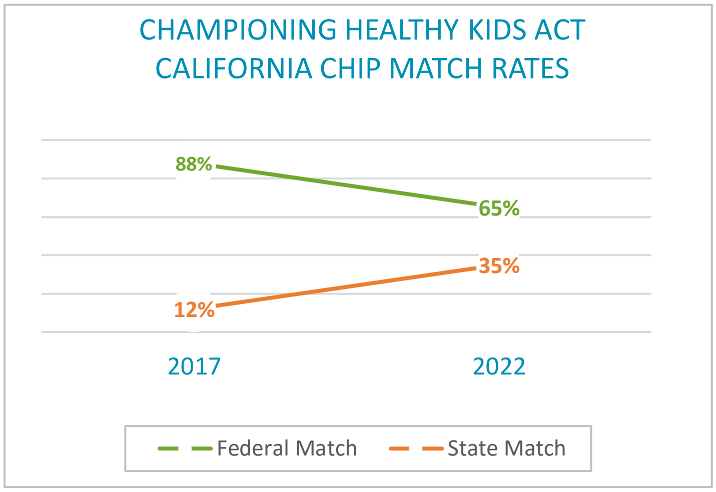
- **CHIP.** Extends CHIP for five years and appropriates $21.5 billion in 2018, increasing to $25.9 billion by 2022. CHIP is a health coverage program for low- and moderate-income children and pregnant women jointly funded by states and the federal government. California integrates CHIP coverage into the Medi-Cal program. CHIP resources are used to provide Medi-Cal coverage for more than two million children and pregnant women annually in California (1.4 million at any one time). Without action by Congress, California is expected to run out of CHIP funding in December or early January.
- **CHIP Enhanced Federal Match.** Phases down the CHIP enhanced federal match. Before the Affordable Care Act (ACA), states received between 65 and 83 percent federal funding to support state CHIP programs. States provided the remaining funding as a state match. In 2015, the ACA increased the federal match rate by 23 percent. The Championing Healthy Kids Act gradually reduces and eventually eliminates the increase in federal match and transitions the responsibility for these costs to states.

Health Center Program

- **330 Grant Program.** Appropriates $3.6 billion for the federally qualified health center (FQHC) 330 grant program through 2019. FQHCs are public or private nonprofit clinics that provide comprehensive health services in community locations. Federal 330 grants support care and services for the remaining uninsured and underinsured populations. Unless Congress acts, California FQHCs will lose approximately $300 million in grant funding.
- **National Health Service Corps (NHSC).** Extends current NHSC funding ($310 million) through 2019. According to the California Primary Care Association, there are 770 NHSC scholars in California who receive scholarships or loan repayment assistance to serve in low-income communities.
- **Teaching Health Centers.** Appropriates almost $240 million through 2019 for teaching health centers (THCs). California is home to six of the 60 federally funded THCs in the country. THCs serve as accredited community-based primary care health professional training programs.

Other Programs

- Delays $5 billion in Medicaid cuts to **Disproportionate Share Hospitals** and includes funding for other safety-net programs.



FUNDING OFFSETS

According to the U.S. House Energy and Commerce Committee, the appropriations in the Championing Healthy Kids Act are fully offset by the following policy changes:

- **Prevention and Public Health Fund.** Reduces the Prevention and Public Health Fund by one third, $6.5 billion over ten years. The Fund, originally created in the ACA, supports health promotion, including prevention programs targeting diabetes, heart disease and cancer.
- **Medicare Cost-Sharing.** Beginning in 2018, modifies the income thresholds that determine which beneficiaries pay 80 percent of Part B and Part D premiums, and creates an additional category for beneficiaries with incomes above $500,000 requiring them to pay 100 percent of premiums. (See related Kaiser Family Foundation Issue Brief here.)
- **Grace Periods for Nonpayment of Premiums.** Shortens from three months to one month the “grace period” during which health plans in state and federal exchanges must continue coverage for individuals behind in paying monthly premiums. However, in states operating an exchange, such as California, any grace period designated in state law applies.

The Act also makes minor changes to Medicaid third-party liability rules and limits Medicaid payments to lottery winners.

ITUP is an independent 501(c)(3) nonprofit organization and health policy institute that for more than two decades has offered expert analysis and facilitated convenings of California health leaders on emerging issues affecting health and health policy in the state. The mission of ITUP is to promote innovative and workable policy solutions that expand health care access and improve the health of Californians, through policy-focused research and broad-based stakeholder engagement.

For more information on this report, contact ITUP Executive Director, Deborah Kelch, at 916-226-3899.

ITUP is generously supported by the following funders:

Blue Shield of California Foundation
California Community Foundation
California Health Care Foundation
Kaiser Permanente
L.A. Care Health Plan
The California Endowment
The California Wellness Foundation