

TOP STORY

CHIP funding in jeopardy

By Mary Sell Montgomery Bureau Oct 4, 2017 Updated 8 hrs ago

MONTGOMERY – State officials say Alabama has enough funding in reserve to continue supplying health care to about 157,000 low- and moderate-income children until March. But if Congress doesn't act soon, steps will be taken to dismantle the federally funded program.

The Children's Health Insurance Program (CHIP) expired at the end of September without reauthorization in Washington.

"It is in the best interest of Alabama for the Children's Health Insurance Program to be renewed by Congress. Good stewardship has created a reserve in funding, so health care coverage for 160,000 children and youth in Alabama, who benefit from CHIP, will continue at least through February," Alabama Medicaid Commissioner Stephanie Azar said this week.

"Our hope is that Congress will act long before our reserves are exhausted," she said. "Should Congress not renew federal funding for CHIP, the governor, Legislature, Alabama Medicaid, and Alabama Department of Public Health will assess funding for the program."

The CHIP funding pays for health care for two groups of children and teens in Alabama -- about 81,100 on a program called All Kids and 75,200 children on Medicaid. But unlike other Medicaid recipients, these children's care is 100 percent funded with no state contribution.

The children on Medicaid can't lose their federally mandated coverage, though the state could be forced to pay for a portion of it if CHIP funding isn't continued at its current rate. But that's not the case for higher-income All Kids participants.

"I'd hate to see any kids lose their coverage," Rep. Steve Clouse, R-Ozark said. He's chairman of the House General Fund budget committee. "The ones that are on Medicaid, we'd have to figure out something if CHIP goes away."

Medicaid officials this week said they were trying to calculate how much it would cost the state to continue providing their health care. The state pays a match for every Medicaid enrollee.

Clouse is hopeful to see new bills reauthorizing funding for the program this week or next. A Senate draft bill continues 100 percent federal funding of the program for two years.

"We're like everyone else, wondering what is going to be done," Clouse said.

Lawmakers in the spring held back \$93 million in reserve for the 2019 budget. But much of that is already spoken for.

The 2019 General Fund already will be short \$105 million in BP settlement money available in fiscal 2018, and court-ordered changes to the Alabama Department of Corrections' mental health services are expected to be costly.

Medicaid serves children at about 141 percent of the federal poverty level, CHIP serves families with more income, up to about 318 percent of the federal poverty level.

About \$165 million in CHIP funding was spent on Medicaid recipients last year; \$198 million was spent on children in All Kids, according to the Medicaid office.

If Congress doesn't act soon, Cathy Caldwell, the state's CHIP director, said the agency will begin the months-long process of dismantling All Kids.

"We have not sent out any notices (to participating families)," Caldwell said. "But I feel certain that in the next month or two, we will have to start shutting the program down."

Part of the process would be to figure out what children currently receiving care through CHIP-funded All Kids would be eligible for Medicaid, Caldwell said.

As of this week, Alabama is still enrolling children in All Kids, she said.

"We're continuing to operate as normal," she said.

mary.sell@decaturdaily.com. Twitter @DD_MarySell.

CHIP care in our area

Children and teens receiving health care through the Children's Health Insurance Program as of June 2017:

Colbert County — 1,740

Franklin County — 1,129

Morgan County — 4,276

Lauderdale County — 2,794

Lawrence County — 1,044

Limestone County — 2,590

Source: Alabama Department of Public Health