



# VIRGINIA

## 2014 Children's Health Insurance Program Fact Sheet

The Children's Health Insurance Program (CHIP) is a partnership between the federal government and states to provide health insurance for children of low and moderate-income families who are not eligible for Medicaid; it was created as part of the Balanced Budget Act of 1997. Outreach and enrollment surrounding the CHIP program halved the children's uninsurance rate.<sup>1</sup> The Affordable Care Act (ACA) subsequently extended the CHIP program through 2019 and ensured funding for the federal share of CHIP costs would be in place through 2015. The ACA was designed assuming CHIP would continue; however, funding for CHIP is set to expire on September 30, 2015. **Unless Congress passes legislation to extend funding for CHIP, an estimated 104,221 children and 4,600 pregnant women in Virginia are at risk of losing access to comprehensive, affordable health coverage.**

### How CHIP Helps in Virginia

Virginia's CHIP program is known as FAMIS (Family Access to Medical Insurance Security). FAMIS provides children ages 0-18 living in families with incomes between 134% FPL and 200% FPL (less than \$39,581 a year for a family of three) with access to quality, affordable comprehensive medical and dental services and gives families peace of mind about their health and financial security. In Virginia, FAMIS also provides medical coverage to over 4,600 pregnant women living in families making less than \$39,581 a year for a family of three. The number of babies born with low birth weight has reduced steadily in Virginia since the benefits were extended to pregnant women.

### *FAMIS Ensures Children Have Access to Coverage and High Quality Care*

- FAMIS helps ensure children and pregnant women have consistent access to primary care and prevention services; it enables them to develop relationships with their health care providers.
- Children enrolled in FAMIS have comprehensive mental health benefits that include community-based services such as intensive in-home therapy, therapeutic day treatment, crisis intervention and stabilization, and case management. Without these services, children are more likely to be hospitalized or placed in residential care, both costly and restrictive treatments.
- Children enrolled in FAMIS have comprehensive dental benefits, including preventive services shown to prevent dental disease, which is the most common chronic disease in children. Pregnant women enrolled in FAMIS will have (effective March 1, 2015) a dental benefit that includes prevention and treatment services that are critical to the health of the mother and her baby.
- FAMIS provides access to prescriptions that children with chronic or complex health care needs—such as asthma, diabetes, or behavioral health conditions— require to stay healthy.

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<sup>1</sup> Wynne, Billy. "Whither CHIP?" Health Affairs blog. (19 August 2014) [http://healthaffairs.org/blog/2014/08/19/whither-chip/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=whither-chip](http://healthaffairs.org/blog/2014/08/19/whither-chip/?utm_source=rss&utm_medium=rss&utm_campaign=whither-chip)

### **FAMIS Provides Affordable Coverage to Low-income Families**

- FAMIS offers more comprehensive benefits at a lower cost with no monthly or annual premiums and more affordable co-pays than other coverage options.

<b>Enrollees with family incomes of 160% FPL</b>	<b>FAMIS</b>	<b>QHP in Federal Exchange</b>
Average Annual Cost Sharing	\$89	\$411-\$480
Average Out-of-Pocket Maximums	\$350	\$1500 - \$2250

### **Marketplace Plans are Essentially Untested for Children**

Altering children’s coverage options while the ACA is ramping up will create unnecessary confusion for families, and such a change could compromise the robustness and affordability of coverage available to low and moderate-income children. Moreover, a growing body of evidence indicates that CHIP affordability greatly exceeds Marketplace plan affordability for children, particularly once cost-sharing is considered.<sup>2,3</sup> Shifting more children and pregnant women onto private insurance plans is risky, as it remains unclear how these products will serve them. The current environment necessitates that we work toward stable coverage for children via proven programs.

### **Family Glitch Still Looms and Children are Vulnerable Without CHIP**

Beyond the possibility of shifting children onto plans that serve them less effectively and are less affordable than CHIP, many children will be at risk for becoming uninsured (estimates range from approximately half a million to 2 million) due to the family glitch—the faulty affordability test that deems a whole family ineligible for Marketplace tax credits if one member has an offer of affordable individual coverage through an employer.

### **Why CHIP Matters – Extending CHIP Funding**

Through CHIP, we have made significant gains in children’s health insurance coverage rates and access to care. Ending CHIP funding in 2015 will destabilize coverage for children and risk the enrollment gains we have made since the program’s inception. If CHIP is not funded, Virginia will not have enough federal carryover funding to continue the FAMIS program. Congress must take action to ensure that Virginia’s children have access to comprehensive, affordable health coverage.

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<sup>2</sup> Brooks, Tricia, Martha Heberlein, and Joe Fu. “Dismantling CHIP in Arizona: How Losing KidsCare Impacts a Child’s Health Care Costs.” Georgetown Center for Children and Families and Children’s Action Alliance. (May 2014) <http://ccf.georgetown.edu/wp-content/uploads/2014/05/Dismantling-CHIP-in-Arizona.pdf>

<sup>3</sup> Wakely Consulting Group. “Comparison of Benefits and Cost Sharing in Children’s Health Insurance Programs to Qualified Health Plans.” (July 2014) [www.wakely.com/wp-content/uploads/2014/07/FINAL-CHIP-vs-QHP-Cost-Sharing-and-Benefits-Comparison-First-Focus-July-2014-.pdf](http://www.wakely.com/wp-content/uploads/2014/07/FINAL-CHIP-vs-QHP-Cost-Sharing-and-Benefits-Comparison-First-Focus-July-2014-.pdf)