

Summary of Senate and House CHIP Reauthorization & Medicare Improvement Plans

	Senate: CHIP Reauthorization Act of 2007	House: Children's Health and Medicare Program Act
Total new spending:	\$35 billion	\$86 billion
Pay-for:	61-cent increase in federal tobacco tax (\$35 billion)	45-cent increase in federal tobacco tax (\$26 billion); phases out Medicare Advantage overpayments (\$50 billion)
Children's Health Insurance Program Provisions		
New Funding for CHIP:	\$35 billion	\$47 billion
Children Covered:	4 million who would otherwise be uninsured	5 million who would otherwise be uninsured
State allocations:	2008 allotment follows special rules to hold states harmless until 2009. Bases allotments from 2009 onward on combo of previous and projected expenditures and number of low-income kids.	2008 allocation based on 2007 allocation increased according to health care cost increases and state population growth. Future years follow same patterns, with allocations "recalibrated" every two years.
Length of time allocations available:	2 years. Any unspent funds go into the Incentive Pool.	2 years. Unspent funds redistributed to states that need them, as in current law.
Dealing with shortfalls:	Sets up Contingency Fund, capped at 12.5% annual CHIP allotment, to shore up states with anticipated shortfalls. Pays out on a monthly basis.	States with shortfalls not caused by adult coverage or expansions after CHIP is reauthorized will get additional funding according to the state's average cost per child. Additional funding to come from unspent allotments, as in current law.
Eligibility		
<ul style="list-style-type: none"> Children: 	Up to 300% FPL get enhanced match, states that already go > 300% FPL retain enhanced match, new states going >300% FPL get Medicaid match for kids >300% FPL	Does not limit income eligibility limits for SCHIP. Includes a new option for states to extend Medicaid and CHIP coverage through age 25 (phased in from 2010-2013).
<ul style="list-style-type: none"> Pregnant women: 	Allowed with state plan amendment, no waiver needed	Allowed with state plan amendment, no waiver needed
<ul style="list-style-type: none"> Parents: 	No new waivers. States with CHIP-funded parent coverage must pay for from "set-aside" CHIP pool starting in 2010. No enhanced match after 2010, but get higher than Medicaid match for parents if meet outreach and enrollment targets for kids.	No new waivers unless state can prove that it is attempting to reach all children under 200% FPL and that no children would be denied coverage in order to cover adults. Makes no changes to existing waivers.
<ul style="list-style-type: none"> Childless adults: 	No new waivers. Currently enrolled childless adults transitioned from CHIP to Medicaid by FY2009.	Maintains current law prohibiting HHS from approving new waivers for childless adults. Allows states that currently have waivers to continue them.

• ICHIA:	No provision	Included (Allows states to provide coverage to legal immigrant children and pregnant women who have been in the US less than five years.)
Financial incentives to enroll kids:	Has Incentive Pool that gives states a per-child bonus for all kids over enrollment baseline (baseline is defined in legislation).	States that adopt 5 of 7 enrollment best practices and meet enrollment goals receive a performance bonus. The bonus is for newly enrolled children in CHIP and Medicaid who are eligible, but not enrolled today.
Other outreach & enrollment policies:	\$100 million in grants to national (\$10m), Indian health (\$10m) and other state and local groups (\$80m) to improve outreach and enrollment	No comparable outreach funding, but encourages states to adopt culturally appropriate enrollment practices.
Citizenship documentation:	Now applies to CHIP as well. Allows state option to accept SSN and match with SSA to verify ID and citizenship. If no match confirmed, person has 90 days to produce documentation before denied coverage.	States may opt to return to pre-DRA rules for proving citizenship for children. Allows additional types of documents to serve as proof of citizenship for adults and for states that choose to continue DRA requirement for children.
Express Lane Eligibility:	Included as a 3 year, 10-state demonstration project	Included as permanent state option
Premium Assistance:	Allows PA for cost-effective coverage, requires benefits and cost-sharing wrap-around, allows for coverage of parents in some cases, allows states to obtain data on employers sponsored coverage from employers, requires employers to notify employees about availability of PA	No changes included. Bill prohibits future Health Savings Account demonstration projects.
Quality:	\$45 million; requires establishing and collecting data on core pediatric measures, developing electronic medical record for kids. Includes grants to address childhood obesity and lifts the 10% cap on expenditures for programs to relieve Type 2 Diabetes and childhood obesity. Also requires new reporting on access to dental care.	Requires establishing quality and performance measures; creates children's payment advisory committee for CHIP and children's Medicaid
Benefits:	Grants to improve dental care, adds mental health parity to CHIP.	Dental as a guaranteed benefit, mental health parity, states can cover family planning services without a waiver. Strengthens benchmark benefit package standards.
Medicare Provisions		
Help for Low-Income Seniors & People with Disabilities in Medicare		

• Asset Tests	No provision	Asset limits for Medicare Savings Programs and Part D Low-Income Subsidy increased to \$17,000/individual and \$34,000/couple; increase annually starting 2010
• QI Program	No provision	Makes permanent and increases eligibility to 150% FPL
• MSP and LIS Enrollment simplification	No provision	Coordinates Low-Income Subsidy (LIS) and Medicare Savings Program (MSP) application process; Allows Social Security to use IRS data to identify potential eligibles
• Part D Cost-sharing	No provision	Eliminates cost-sharing for full dual eligibles in home & community based care waivers; Caps Part D cost-sharing for low-income Medicare beneficiaries at 2.5% of annual income
• Part D LIS Improvements	No provision	Eliminates pensions, retirement plans, and life insurance as countable assets; eliminates in-kind support as countable income
• Part D Enrollment	No provision	Requires assignment of dual eligible beneficiaries to Part D plans to be based on patient needs; Permits beneficiaries to change Part D plans if plan formulary changes
• Part D Late enrollment penalty	No provision	Eliminates Part D late-enrollment penalties for people eligible for the Low Income Subsidy
• Medicare Advantage Out-of Pocket costs	No provision	Limits out-of-pocket costs in MA plans to the maximum allowed under fee-for-service (or under Medicaid for dual eligibles in MA)
• Medicare Advantage Enrollment	No provision	Continuous open enrollment for dual eligibles and certain other low-income beneficiaries; Allows beneficiaries to return to Medigap plans for up to 24 months; prohibits auto-enrollment of dual eligibles into a Medicare Advantage plan
• Cost-Sharing for Medicare services	No provision	Eliminates cost-sharing for preventive benefits and lowers cost-sharing for outpatient mental health care to traditional Medicare levels

Medicare Program Improvements:		
• Premium support	No provision	Premium support demonstration repealed
• SHIPs	No provision	Increases funding for State Health Insurance Assistance Programs (SHIPs)
• 45 Percent Trigger	No provision	Repeals provision of the Medicare Modernization Act that set arbitrary budget restrictions on Medicare.
• Quality improvements	No provision	Demonstration to improve care for previously uninsured; Requires Private Fee for Service Plans and Preferred Provider Organizations to report same quality data as other plans
• Regional Preferred Provider Organization Stabilization Fund	No provision	Eliminates remaining funds
• Medicare Advantage standardization	No provision	Requests National Association of Insurance Commissioners to develop model protections for marketing, advertising and other beneficiary issues.
Addressing Health Disparities in Medicare:		
• Data collection on race, ethnicity, and primary language	No provision	Requires collection, analysis, and report on race, ethnicity, and primary language of Medicare beneficiaries
• Culturally and linguistically appropriate services (CLAS)	No provision	Demonstration of Medicare payments for culturally and linguistically appropriate services; Directs Office of Inspector General to study and report compliance with CLAS standards among Medicare providers Requires Institute of Medicine report on effect of language access services on access and quality of care

<ul style="list-style-type: none">• Addressing disparities	No provision	Requires Medicare Advantage plans to adopt new measures to assess health disparities; Reinstates biennial reports on disparities in Medicare Advantage plans.
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Note: The House bill also includes extensive provisions related to provider payments in Medicare. This summary does not include those provisions.