



Michigan League FOR Human Services

June 2009

## **SCHIP Reauthorization: Summary of Key Changes, Opportunities and Recommendations**

### **Key Changes:**

- Significant funding increases to provide service and expand children's health care coverage;
- Allows only two years, rather than three, to spend a given year's allocation;
- Significant new outreach and quality improvement funds included, in addition to performance bonuses;
- Eliminates states' abilities to use SCHIP funding for coverage of adults through waivers after December 31, 2009, but permits transitions to Medicaid waivers;
- Extends the citizenship documentation requirement to SCHIP applicants effective October 2009, but also allows a new electronic documentation with the Social Security Administration for both Medicaid and SCHIP;
- Reverses the Deficit Reduction Act of 2005 requirement that Medicaid cases not be opened until citizenship has been documented and requires benefits to be provided to otherwise eligible applicants while documentation is being pursued;
- Mandates dental coverage (already provided in Michigan) and mental health parity;
- Allows states to provide dental coverage to otherwise SCHIP-eligible children enrolled in other coverage that does not include a dental benefit;
- Allows states to use income information obtained from other sources to determine financial eligibility for Medicaid and SCHIP (e.g., free and reduced-price school lunch programs);
- Provides option to expand eligibility for pregnant women without seeking federal waivers;
- Provides option to eliminate the five-year waiting period for legal immigrant children and pregnant women who are otherwise eligible.

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**Opportunities:**

- For a small state investment, about a 25 percent match rate, the state could expand eligibility for MICHild up to 300 percent of the federal poverty level;
- The state could expand coverage for pregnant women from the current 185 percent of poverty to the same level as the children's coverage;
- The Department of Community Health, alone or with other partners, could apply for outreach grants;
- The state could provide a wrap-around dental benefit to otherwise MICHild- eligible children with other coverage but no dental benefit;
- The state could elect to participate in a data exchange agreement with the Social Security Administration starting January 1, 2010 to meet the citizenship documentation requirement. Development of such a data exchange system would qualify for 90 percent federal matching funds.

**Recommendations:**

- Increase financial eligibility for children and pregnant women to 300 percent of the federal poverty level;
- Pursue outreach funding to help identify and enroll eligible children;
- Increase provider rates to ensure access to all needed/covered services.