



Center for Medicaid and CHIP Services

May 22, 2012

Medicaid/CHIP Affordable Care Act Implementation

Answers to Frequently Asked Questions

CHIP and the Affordable Care Act

Q1: Will children enrolled in CHIP as of March 23, 2010 who become eligible for Medicaid as a result of the conversion to Modified Adjusted Gross Income (MAGI) and the expansion of Medicaid coverage for children up to 133 percent of the FPL, be eligible for the CHIP enhanced FMAP?

A: Yes. CHIP enhanced FMAP will continue to be available for children whose income is greater than the Medicaid applicable income level (defined in § 457.301 and based on the 1997 Medicaid income standard for children), regardless of whether those children are enrolled in Medicaid or CHIP. This includes children who previously qualified for CHIP in a separate program and children whose family incomes are up to 133 percent of the Federal poverty level, and therefore will be newly eligible for Medicaid in 2014.

Q2: Will States need to add a separate CHIP coverage group in order to meet the requirements of section 2101(f) of the Affordable Care Act, the provision that requires States to ensure continuity of coverage for children who lose Medicaid eligibility as a result of the conversion to MAGI?

A: Yes. Section 2101(f) of the Affordable Care Act provides that States maintain coverage under a separate CHIP program for children who lose Medicaid eligibility due to the elimination of income disregards as a result of the conversion to MAGI. We anticipate that this provision will directly impact a relatively small number of children, and are committed to helping States implement this provision in a manner that is not unduly burdensome or costly and still protects the continuity of coverage for these children as required by statute.

For States with only Medicaid Expansion CHIPs, one approach is to create a separate CHIP that is substantively identical to the existing program, thereby creating the greatest continuity of coverage for the child, the least confusion for the family, and the most efficient operation for the state. For States with existing separate CHIPs, a State plan amendment assuring that these children will be covered through that program for as long as they qualify should be sufficient.