

Facts on Kids in South Dakota

CHIP - Children's Health Insurance Program



Issue No. 4 Qtr. 00

*Data and information in this issue are from the South Dakota Department of Social Services and the South Dakota Coalition for Children (SDCC), partners in the **Covering Kids Project**. More information about these organizations can be found at the end of the issue.*

Introduction

This is the fourth in a series of **Facts on Kids in South Dakota**. Each issue takes a look at a specific indicator of child well-being. Data and state and federal legislation will be discussed to provide the reader with a broad, yet in-depth view of children and youth in South Dakota. The focus of this issue is the Children's Health Insurance Program - CHIP.



Health Insurance

Regular access to health care supports healthy growth and development. Kids without a routine health care provider get sick more often, are less likely to be immunized, and are less likely to get treated for routine illnesses that can turn into serious health problems.

Even children who seem healthy need regular check-ups to treat problems that might undermine their development and performance in school. They need someone to notice if they need glasses, if they hear properly, and if their physical and mental growth is on track. Middle and high school students need guidance as they begin to make decisions that will affect their health and well being for the rest of their lives.

Research shows that about 25% of children without health insurance do not receive the medical care they need. Compared to insured children, uninsured children are four times as likely to have necessary care delayed, and five times as likely to use the emergency room as a regular source of care. Uninsured children are more than twice as likely to NOT have care for recurring ear infections—a condition that can lead to hearing loss if left untreated.

Furthermore, uninsured children are less likely to complete their vaccination shots¹.

¹Source: The Kaiser Commission on Medicaid and the Uninsured, [Uninsured in America: A Chart Book](#), Second Edition, May, 2000, pages 67-71.

Many children, however, do not have access to health care because their parents do not have the benefit of health insurance coverage. Many parents are in jobs that provide no health insurance, e.g., self-employed, part-time workers, or service sector jobs. According to the Kaiser Commission on Medicaid and the Uninsured in America, there were 24,000 uninsured children in South Dakota or almost 12% of children. The same report showed estimates of low-income uninsured children (less than 200% of poverty, less than age 19) 1996-1998, 14,000 children in the state were uninsured or a little more than 18%².

²Source: Hoffman, C. and Schlobohm, A. (2000) [Uninsured in America: A Chart Book, Second Edition](#). The Kaiser Commission on Medicaid and the Uninsured. The Kaiser source was the Urban Institute estimates based on pooled 1997, 1998, and 1999 Current Population survey.

Medicaid, private health insurance, or other forms of insurance did not cover these children. [It should be noted that the figures include children who were eligible for Medicaid, but who were not enrolled.] What happens to the child in a working poor family not eligible for Medicaid?

History of CHIP

As part of the federal Balanced Budget Act of 1997, a program called The Children's Health Insurance Program was created. This program [Public Law 105-33, Subtitle J], amended the Social Security Act by adding Title XXI. The law targeted uninsured children from low and moderate-income families to provide a means of preventing health care costs from consuming an inordinate share of their income. The law also ensured that family income was not a barrier preventing the child from getting care which is comprehensive and preventative. Title XXI is a federal block grant with the amount of CHIP funds available



to states specified by an allocation formula. Federal funds must be partially matched with state general funds. To obtain these funds, states must assure that the program provides benefits similar to the benefits of one or more of the following:

- a. Federal employee health benefits plan
- b. State employee health plan
- c. The State's largest commercial Health Maintenance Organization (HMO) plan
- d. The State's Medicaid program
- e. Federal Dept. of Health & Human Services (HHS) approved coverage

Children who are eligible

American Indian/Alaskan Native children are eligible for CHIP on the same basis as other children in their state. The eligibility of Indian children for CHIP is not affected by the fact that they may also be eligible for, or are recipients of health care services funded by the Indian Health Service (IHS). In fact, the law specifically exempts programs operated or financed by IHS from the requirement to prevent duplication between CHIP and other federally operated or financed health programs. The law also requires each state to describe, in its CHIP State Plan, the procedures to be used to ensure the provision of child health assistance to targeted low-income children who are American Indians or Alaska Natives. Under federal law, CHIP must provide health coverage to targeted uninsured children. Those children:

- ◆ must be less than 19 years of age.
- ◆ must have family income at or below 200% of the Federal Poverty Level.
- ◆ must not be covered by any other health insurance.
- ◆ must not have been covered by a group health plan in the prior three months.
- ◆ may not be otherwise eligible for Medicaid.
- ◆ must meet certain other non-financial criteria, such as state residency.

The monthly income limits, after deductions for things like child care and child support, are:

Family size: Parent(s) plus number of children under age 19	New Monthly Income Limit at 200% of FPL After Deductions
One*	\$1,392
Two	\$1,875
Three	\$2,359
Four	\$2,842 (\$34,104/yr)
Five	\$3,325
Six	\$3,809
Seven	\$4,292
Eight	\$4,775
Add \$484 for each additional child	

*a child not living with a parent

CHIP in South Dakota

South Dakota has chosen Medicaid for its CHIP program. It allows the Department of Social Services to use the existing Medicaid program to administer and deliver benefits. A Medicaid-based expansion also offered more expansive coverage for preventive, dental and optometry services, and participating families are not required to pay



premiums for children under 19.

When South Dakota's CHIP began in July 1998, it covered those uninsured children age 6 to 19 who were not eligible for Medicaid and whose family income was up to 133% of the federal poverty guidelines. In 1999, the income eligibility level was raised to 140% of the federal poverty guidelines for children age 0 to 19 who had no insurance.

As of July 1, 2000, the newly expanded State Children's Health Insurance Program (CHIP), representing the largest single expansion of health care benefits to children in South Dakota's history, will cover uninsured children under 19 years of age up to 200% of the federal poverty guidelines (\$34,104 for a family of four).

According to the SD Department of Social Services, it is estimated that up to 2,400 more uninsured children under age 19 will become enrolled in CHIP because of the expanded income eligibility requirements. The Current Population Survey (1998) data estimates that South Dakota had 13,000

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uninsured children under age 19 whose family income was at or below 200% of the federal poverty guidelines. Since CHIP was implemented in July 1998, DSS outreach efforts have reduced that number by 9,000 (69%), through increases in both CHIP and Medicaid health insurance programs. There are currently 45,618 children receiving assistance, of which 3,516 children are covered under CHIP, and 42,102 children are covered under Medicaid. As a result, 22% of South Dakota children under age 19 are now enrolled in state health care insurance programs, either under Medicaid or CHIP.

What Services are Covered by CHIP?

Children enrolled in CHIP receive the same medical services available to Medicaid-eligible children. This includes a full range of preventive and treatment services, including doctor visits, vision care, dental care, prescription drugs, chiropractic care and mental health services. There are no premiums for children under age 18 who become enrolled in the CHIP program.

CHIP Appropriation

For state fiscal year 2001 (July 1, 2000 - June 30, 2001), the appropriated CHIP budget, including the new eligibility level, is \$5,342,949, with \$4,161,623 in federal funds and \$1,181,326 is state general funds. South Dakota's CHIP match rate is approximately 78% federal funds and 22% state funds.

CHIP Administration

CHIP is being administered by the Department of Social Services (DSS). A three-page application form must be completed. If you have any questions concerning the CHIP program you can contact your local department of social services office or call 1-800-305-3064. Additional information on the Children's Health Insurance Program can be obtained from: South Dakota's Title XXI State Children's Health Insurance Program (CHIP) website: www.state.sd.us/chip



The Robert Wood Johnson Foundation awarded a three-year grant beginning July 2000 to the Community HealthCare Association Inc. to implement a Covering Kids initiative in South Dakota. Guiding the initiative is a statewide Covering Kids Coalition of 35 organizations. The Coalition is working to identify barriers to accessing health care coverage for children and developing outreach, coordination, and simplification strategies to reduce those barriers.

Many families are not aware of CHIP. The Covering Kids project will work to improve the health status of low- and moderate-income children by assuring that children who are eligible for CHIP are enrolled. The statewide project will train representatives of child service agencies, service clubs, and religious and community groups to come together as a team of outreach workers who will identify and enroll children into health insurance coverage programs.

Through Covering Kids, two pilot sites have been established to develop and test strategies to identify and enroll children in CHIP. Pilot site lead agencies are the Augustana College Nursing Department Health Action Model for Community Partnership and the Prairie Lakes Community Health Inc. In addition, the statewide project will work to simplify enrollment processes, coordinate existing coverage programs, and promote CHIP awareness to eligible families statewide.

To learn more about Covering Kids, visit these web sites: www.coveringkids.org and www.communityhealthcare.net/coveringkids

To ensure healthy children, it is important to spread the word about the Children's Health Insurance Program (CHIP). Those that meet the income requirements and become eligible for CHIP can benefit from a variety of services, including physician visits, prescription medicines, immunizations, limited dental and eye care, and much more.

For more information or to secure an enrollment application, call **1-800-305-3064**.

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The South Dakota Coalition for Children (SDCC) is an advocacy organization that strives to shape policies and programs to ensure the well being of all children in South Dakota. The Coalition is composed of businesses, state and local organizations, and individual members. The SDCC is a member of the National Association of Child Advocates (NACA). The Coalition can be reached at P.O. Box 2246, Sioux Falls, SD 57101-2246, phone: 605.367.9667. www.sdccchildren.org

South Dakota Department of Social Services, James W. Ellenbecker, Secretary. Visit their website: www.state.sd.us/social/social.html

Covering Kids is a national health access initiative for low income, uninsured children. It is a \$47 million program of The Robert Wood Johnson Foundation. Founded to help increase the number of eligible children benefiting from health insurance coverage programs, the three primary goals of Covering Kids include: 1) design and conduct outreach programs that identify and enroll eligible children into Medicaid and other health coverage programs; 2) simplify enrollment processes; and 3) coordinate existing coverage programs for low-income children. The national Covering Kids website is: www.coveringkids.org and the South Dakota Covering Kids website is: www.communityhealthcare.net/coveringkids

The South Dakota KIDS COUNT Project is a national and state-by-state effort, sponsored by the Annie E. Casey Foundation, to track the status of children in the United States. By providing policymakers and citizens with benchmarks of child well-being, KIDS COUNT seeks to enrich local, state, and national discussions concerning ways to secure better futures for children and families. Additional funding for the state project comes from the South Dakota Departments of: Education and Cultural Affairs, Health, Human Services and Social Services. www.usd.edu/brbinfo then follow the KIDS COUNT link.

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