

Medicaid & CHIP

What's the Difference?

Medicaid and the Children's Health Insurance Program (CHIP) are both:

- Public insurance programs that cover children
- Jointly funded by a combination of state and federal matching dollars
- An important source of care and coverage for 35.9% of CYSHCN

This infographic is on the web at <http://cahpp.org/resources/medicaid-chip-difference/>

But there are **some important differences** between these two programs.

Medicaid	Children's eligibility	CHIP
Required for ages 0–19 for family income up to 138%* of the federal poverty level (FPL) <i>Note: States may set income limits higher than the federal requirement noted above.</i>		For uninsured children, 0 – 19, with family income too high for Medicaid (varies by state). <i>Note: States receive enhanced matching funds up to 300% FPL; for higher income eligibility, states receive the Medicaid match rate (FMAP)</i>
FMAP	Federal match rate	eFMAP
Guaranteed – no cap	Federal funding	Capped amount
Not permitted	Waiting lists	Permitted
Yes	Dual private & public coverage allowed?	No
Full Medicaid benefits including EPSDT mandate. <i>Note: CYSHCN may not be mandatorily enrolled in benchmark coverage.</i>	Benefits	May receive benchmark coverage, no mandate for EPSDT
Generally not, but states may charge for family income > 150% FPL	Premiums & co-payments allowed?	Generally yes

What do these differences mean for Amy?

Amy, age 5, has special health care needs. She lives in a state that has different Medicaid income eligibility limits for children 0-5 than for children 6-19. For young children the income limit is more than the federal minimum of 138% FPL. For 6-19 year olds, the income eligibility limit is 138% FPL. Her family's income is 140% FPL. When Amy turns 6, she will no longer be eligible for Medicaid.

What will change when Amy turns 6?

If her family has no other health insurance

Benefits: Amy is eligible for CHIP, but she will lose the EPSDT benefit and may not receive medically necessary services, or her family will incur the full cost of those services out of pocket.

Waiting lists: If the state exceeds its allotted CHIP funding, Amy can be put on a waiting list and she will be without coverage.

Premiums & co-pays: Her family will incur higher health care costs because most state CHIP programs charge monthly premiums and co-pays for children.

If her family has other health insurance

Amy will not be eligible for CHIP. Her family's cost-sharing for her health services will be even higher, because in general:

- Private health insurance premiums and co-pays are higher than for CHIP
- Private health insurance has a deductible, CHIP does not

Has children's Medicaid income eligibility changed under the Affordable Care Act?

Yes! In 2014, the Affordable Care Act (ACA) mandated a change in Medicaid income eligibility for children ages 6-19. This requirement of the ACA standardized Medicaid eligibility for all children, birth through age 18 at 138% FPL, although many states use a higher income eligibility level than the federal minimum. However, some states still have different income eligibility limits for 6-19 year olds. Find out your [state's income eligibility for Children's Medicaid and CHIP](#).



Meet Amy
Age: 5
Family income:
140% FPL

*Includes the 5% income adjustment due to the ACA Modified Adjusted Gross Income (MAGI) rule that standardizes the calculation of household income.

