



Minnesota
Budget
Project

State Children's Health Insurance Program (SCHIP): Keeping Minnesotans Healthy

Why It Matters: SCHIP Keeps Minnesota's Children and Parents Healthy

Nearly 40,000 Minnesotans, including children, parents, caregivers and pregnant women, receive health insurance through the State Children's Health Insurance Program (SCHIP). Children who have access to health insurance are healthier, both physically and mentally. Children enrolled in SCHIP perform better in school. When parents of low-income children have health insurance, their children are also more likely to have health care coverage and visit the doctor.

How It Works: SCHIP Helps Minnesota Cover the Uninsured

SCHIP provides federal matching funds to states to help cover the costs of health care coverage, primarily for low-income children. Due in large part to SCHIP, the percentage of low-income children in the U.S. without health coverage fell by one-third in the past decade, even while the overall number of uninsured Americans increased.

In Fiscal Year 2007, Minnesota received over \$52 million in federal SCHIP dollars. Thanks to a federal waiver that recognizes Minnesota's history of strong coverage of low-income children, Minnesota uses SCHIP funds to provide health care to low-income children with slightly higher incomes, as well as to the children's parents and caregivers and low-income pregnant women. A number of other states have similar waivers.

What Our Federal Delegation Can Do: Reauthorize the State Children's Health Insurance Program When It Expires in 2009

In 2007, Congress passed a short-term extension of SCHIP through March 2009. The extension should ensure that there is adequate federal funding in FY 2008 and the first six months of 2009. Minnesota will receive \$84 million in SCHIP funding for FY 2008.

Congress will consider children's health insurance legislation again in 2009. Our delegation should insist that any State Children's Health Insurance Program legislation:

- **Maintain State Flexibility:** The key to the success of SCHIP in Minnesota is the flexibility provided by our federal waiver, which enables Minnesota to cover more uninsured children, pregnant women and adult caregivers. Congress should oppose any efforts to limit states' ability to provide health care coverage to the uninsured, or to shift more costs onto states.
- **Build on the Success of the State Children's Health Insurance Program:** As Congress works to reauthorize SCHIP in 2009, it should establish a stable, predictable and adequate funding stream for states. Enough funding must be available to allow states to continue providing health care to those already covered by SCHIP, cover those who are eligible but not yet enrolled and make progress in covering more of the uninsured.

The Minnesota Budget Project is an initiative of the Minnesota Council of Nonprofits.

2314 University Avenue West, Suite 20, St. Paul, MN 55114 • 651-642-1904

Web site: www.mncn.org/bp Blog: www.minnesotabudgetbites.org

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