

COVID-19

Leveraging CHIP HSIs to Respond to COVID-19

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As the coronavirus (COVID-19) crisis continues, state Medicaid and Children Health Insurance Program (CHIP) agencies are rapidly pursuing multiple financing strategies to support their responses. CHIP Health Services Initiatives (HSIs) can provide additional financial support to states and local communities serving low-income children. This issue brief provides an overview of CHIP HSIs and identifies ways that states can leverage them as part of their targeted response to the COVID-19 pandemic.

Overview of CHIP HSIs

Title XXI of the Social Security Act—the federal authority for CHIP—permits states to use a portion of their CHIP funding to implement HSIs focused on improving the health of children.¹ Federal regulation defines CHIP HSIs as “activities that protect public health, protect the health of individuals, improve or promote a state’s capacity to deliver public health services, and strengthen the human and material resources necessary to accomplish public health goals relating to improving the health of children (including targeted low-income children and other low-income children).”²

The Centers for Medicare and Medicaid Services (CMS) provides states with considerable flexibility in designing their CHIP HSIs on behalf of low-income children. Over the past twenty years states have implemented HSIs to meet a variety of public health needs ranging from supporting poison control centers to conducting lead screening and abatement activities.³ As of February 2019, 24 states had 71 HSIs approved in their CHIP state plans.⁴

¹ Social Security Act § 2105(a)(1)(D)(ii).

² 42 CFR 457.10.

³ C.Mann, K. Serafi, A.Traub, “Leveraging CHIP to Protect Low-Income Children from Lead,” January 2017, available at <https://www.shvs.org/wp-content/uploads/2017/01/SHVS-Manatt-Leveraging-CHIP-to-Protect-Low-Income-Children-from-Lead-January-2017.pdf>.

⁴ MACPAC, “CHIP Health Services Initiatives: What They Are and How States Use Them,” July 2019, available at <https://www.macpac.gov/wp-content/uploads/2019/07/CHIP-Health-Services-Initiatives.pdf>.

Financing for CHIP HSIs

Under the CHIP statute, states have the opportunity to draw down federal match for certain non-coverage expenditures as long as those expenditures do not exceed 10 percent of the total amount of a state’s CHIP allotment per quarter.⁵ Non-coverage expenditures include administrative costs for operating the CHIP program as well as implementation of approved CHIP HSIs. Because states can claim the enhanced CHIP match rate for HSIs, states can implement HSIs that address specific public health issues—such as the ones presenting under COVID-19—with a relatively modest investment of state dollars.⁶ Notably, under the Families First Coronavirus Response Act signed into law on March 18, 2020, states are eligible for an additional Federal Medical Assistance Percentage (FMAP) increase if they meet several conditions outlined in the legislation; this temporary FMAP bump will further increase states’ enhanced FMAP rate for CHIP expenditures during the COVID-19 emergency period.⁷

A critical step for states is assessing how their current spending on non-coverage expenditures compares to the 10 percent “cap” to determine what available funding could be used toward an HSI. While this will differ for every state, a recent analysis indicated that the majority of states have funding available under the “cap.”⁸

Developing a CHIP HSI

To secure a CHIP HSI, states must complete and submit a CHIP State Plan Amendment (SPA). There is no waiver required, making the process relatively straightforward. There is no specific HSI SPA template, but states must include the following:

- Describe their proposed initiative and how it is targeted at improving the health of low-income children;
- Identify the source(s) of the non-federal funding share;
- Estimate the number of low-income children that will be served by the HSI; and
- Ensure the program design meets all federal guidance on CHIP.

⁵ Social Security Act § 2105(a)(2)

⁶ Through FY 2020 (ending September 30, 2020), states’ enhanced match rate for CHIP is increased by 11.5%. Beginning in FY 2021, states’ enhanced match rate for CHIP will not receive an additional bump.

⁷ Center for Medicare & Medicaid Services, “Families First Coronavirus Response Act—Increased FMAP FAQs,” March 24, 2020 available at <https://www.medicaid.gov/state-resource-center/downloads/covid-19-section-6008-faqs.pdf>.

⁸ Donna Cohen Ross, Center for the Study of Social Policy, & Jocelyn Guyer, Alice Lam, & Madeleine Toups, Manatt Health, “Fostering Social and Emotional Health through Pediatric Primary Care: A Blueprint for Leveraging Medicaid and CHIP to Finance Change,” June 2019 available at <https://cssp.org/wp-content/uploads/2019/06/Medicaid-Blueprint.pdf>.

Opportunities to Use CHIP HSIs in Response to COVID-19

As described above, allowable CHIP HSI activities include the provision of direct services or public health programs more generally. Looking to past precedent of previously approved CHIP HSIs and existing guidance, states can develop CHIP HSIs as part of their responses to addressing COVID-19. The table below identifies examples of potential activities that states could propose under a CHIP HSI.

INITIATIVE TYPE	COVID-19 PRESENTING PROBLEM	EXAMPLE OF POTENTIAL CHIP HSI
PROVIDING FUNDS FOR COVID-19 HOTLINE	States and providers are inundated with calls from people experiencing COVID-19 symptoms and seeking additional information, testing, or medical care.	Fund additional staff capacity for state COVID-19 hotlines (e.g., via 211, 311, re-deployment of state poison control centers, etc.) to add capacity to a state’s centralized system for handling residents’ questions or concerns and resources available to them. At least 12 states have used HSIs to fund their statewide poison control hotlines to triage residents’ poisoning-related questions.
ADDRESSING FOOD INSECURITY	The Families First Coronavirus Response Act expands eligibility and funding for nutrition assistance but families may have trouble reaching centralized community locations to pick up meals or applying for Supplemental Nutrition Assistance Program (SNAP)/the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits.	Provide funding to regional foodbanks, food pantries, and other direct service providers to increase food delivery service (e.g., meals-on-wheels) to low-income children whose parents/caregivers are unable to access centralized meal points due to being ill/exposed to COVID-19 themselves caregiving for someone with COVID-19, or being a frontline worker responding to the pandemic. Prior to the COVID-19 pandemic, New York used a CHIP HSI to help support its Hunger Prevention and Nutrition Assistance Program (HPNAP) that helps improve the nutritional health status of the state’s low-income citizens, including low-income children.
SUPPORTING EMERGENCY CHILD CARE SITES	States are establishing emergency child care programs for children whose parents work in health, safety and essential field services during the COVID-19 pandemic and need safe places to go	Provide funding for emergency child care sites to supplement federal reimbursement of such sites; consider using HSI funding to provide additional supplies, equipment and other resources for children in these settings.

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	while their parents/caregivers work.	
EXTENDING TELEHEALTH AND TELEPHONIC CAPABILITIES FOR CHILDREN'S IN-HOME USE	The majority of services that children are receiving [e.g., physical and behavioral health visits, home visiting, Early Intervention (EI), etc.] are now virtual or via phone and they need technology to receive these services in-home; many children and their families do not have access to the technology they need to receive these services.	Fund technology (e.g., cell phone minutes, iPads, computers, phones, internet, Wifi) for children's home use so they can receive their services.
EXTENDING TELEHEALTH AND TELEPHONIC CAPABILITIES FOR PEDIATRIC PRIMARY CARE EXTENDERS	Children and their families' routines are being upended and parents and other caregivers will need help supporting their children's socio-emotional health during this time.	Support pediatric primary care programs (e.g., HealthySteps) to expand their reach via telehealth/telephonic capabilities to provide ongoing parenting support, conduct developmental screenings, and provide additional guidance to support low-income children. Prior to the COVID-19 crisis, Oklahoma received approval for a CHIP HSI that trains pediatric and primary care programs to implement the Reach out and Read early literacy program and use standardized developmental screening tools during health visits with young children.
SUPPORTING CHILDREN WHO ARE AT RISK OF REMOVAL FROM THEIR FAMILIES	COVID-19 and its attendant social distancing requirements has put a disproportionate strain on families already in crisis putting children at risk of removal.	Provide funding to support families in crisis to ensure children who are at risk of removal are able to remain safely with their families. Consider opportunities to provide intensive family support interventions through telephone and video.

Next Steps

States and the federal government are taking extraordinary steps to respond to the COVID-19 pandemic. While CHIP HSIs do not provide a singular funding source to meet the needs of all state residents, as described above, they can be effectively used to implement targeted activities that further support low-income children during this time. In addition to assessing the availability of a state's CHIP allotment level, in the coming weeks and months, states can begin to identify gaps in federal and state funding that CHIP HSIs may be able to fill.

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