



The California Managed Risk Medical Insurance Board

1000 G Street, Suite 450
Sacramento, CA 95814
(916) 324-4695 FAX: (916) 324-4878

Board Members

Clifford Allenby, Chair
Areta Crowell, Ph.D.
Richard Figueroa
Sophia Chang, M.D., M.P.H.

Ex Officio Members

Jack Campana
Kimberly Belshé
Dale E. Bonner

January 16, 2008

TO: MRMIB Members

FROM: Lesley Cummings
Executive Director

Re: SCHIP Update: Legislation Signed to Extend Funding Until March 31, 2009

Issue Summary:

On December 29, 2007, President Bush signed Senate Bill 2499, the Medicare, Medicaid, and SCHIP Extension Act of 2007, extending funding for the State Children's Health Insurance Program (SCHIP) until March 31, 2009 at the same levels as federal fiscal year 2007. The legislation also includes additional funding to help ensure states which have funding shortfalls receive adequate funding.

The legislation, however, does not address rules issued by the Center for Medicare and Medicaid Services (CMS) in a letter sent to states on August 17, 2007, hampering the ability of states to enroll children above 250 percent FPL.

Language in the legislation was not specific about which data source(s) would be used to determine states' allotments and appears to leave some discretion to the Health and Human Services Secretary as to the amount of funds to be redistributed and allotted to each state.

MRMIB staff has communicated with Dennis Smith, Center for Medicaid and State Operations, Center for Medicaid and Medicare Services (CMS) in order to obtain clarification about the amount of allotment and total funding to be awarded to California. CMS held a telephone call with states on January 10, and provided some information and promised additional details in the coming weeks about the amount and timing of allotments to be awarded to states.

Senate Bill 2499 highlights:

Appropriates \$5 billion for each of federal fiscal years 2008 and 2009, and an additional \$1.6 billion for shortfall states in Federal Fiscal Year (FFY) 2008.

In FFY 2008/2009: Requires that a “shortfall state” be determined by the Secretary, based on “the most recent data available,” to have projected federal expenditures that exceed the total of any carryover funds from 2007 plus any redistribution funds received for FFY 2008 plus the state’s FFY 2008 allotment.

In FFY 2009/2110: Also addresses the role of the Secretary in determining allotments and defining “shortfall states.”

Appropriates \$275,000,000 for the further elimination of shortfalls in the first two quarters of FFY 2009.

Provides shortfall allotments be reduced proportionally if the total allotted exceeds the total appropriation.

Adds \$10 million for the Census Bureau to improve data collection on uninsured persons.

MRMIB staff will continue to monitor Congress for any activity related to SCHIP or the new rules issued by CMS in addition to working with CMS staff to confirm the timing and amount of SCHIP funding that California can expect to receive.