

# State Checklist for Shutting Down CHIP Programs

States developed their 2018 budgets on the assumption that federal Children's Health Insurance Program (CHIP) funding would continue beyond Sept. 30, 2017, but as of mid-November, Congress has not provided federal funding for CHIP. As a result, the [42 states with separate CHIP programs](#) are now [running out of funds](#) and will need to close their programs in the coming weeks and months. [Ideally](#), states would have at least one year to plan for such significant program changes, but now states must shut down their programs within just a matter of weeks, which will be very challenging, costly, and time-consuming for state staff.

As states close their separate CHIP programs, they will need to [decide how to transition enrollees from CHIP](#) and whether to inform them about marketplace coverage options, transition them to Medicaid, or implement a combination of these approaches. States will also need to determine how to minimize care disruptions for children with chronic/complex conditions and for pregnant women covered by CHIP.

Although Congress may eventually extend CHIP funding, states must act in response to current law, considering their own noticing requirements and budget constraints. Below are the numerous tasks that states with separate CHIP programs must address immediately.

## Communication Plans

### General Public Notices & Informing CHIP Enrollees:

- Determine state legal requirements regarding the timing of sending notices
- Decide when to send notices to families (and pregnant women, if applicable) to inform them of program shutdown and other possible coverage options, weighing factors such as the need to provide timely information about program changes while also minimizing confusion for families

- *A state projected to run out of federal CHIP funding on 1/1/18 and aiming to provide 30-45 days of prior notice to enrollees would need to send letters to families in late November or early December 2017.*

- If choosing to transition CHIP enrollees to the marketplace, provide information about how they can apply for marketplace coverage in noticing letters
- Provide information on state agency websites (e.g. [Colorado](#)) about program changes
- Change paper forms and other outreach materials
- Public notices/letters may need to be translated into different languages

### Health Providers & Plans:

- Alert providers and plans about CHIP program closure
- Identify possible billing and care continuity issues

### Call Center Staff & Eligibility Workers:

- Train and develop scripts for call center staff and enrollment assisters to provide appropriate information about CHIP program closure and other coverage options
- Ensure call centers and other enrollment partners have capacity to handle increases in question volume

## Policy & Budgetary Actions

### Assess State Laws/Regulations:

- Identify what if any state laws pertain to CHIP program operation and/or funding that may affect decisions on timing of program closure

### Assess CHIP Program Expenditures:

- Update federal CHIP funding shortfall projections by assessing current CHIP program expenditures, which may fluctuate due to factors such as increased enrollment or high cost claims
- Factor in the costs associated with CHIP program closure tasks when updating projections
- Determine if state will need to terminate CHIP program staff due to budget constraints

### Outline & Implement Transition Plans:

- Before closure, determine whether to freeze or cap separate CHIP enrollment to minimize program growth
- Determine if state will transition CHIP enrollees to marketplaces, move them to Medicaid, or implement a combination of approaches
- Submit state plan amendment(s) if opting to make changes to CHIP program type or eligibility standards/practices, factoring in public notice and any tribal consultation requirements

### Coordination with State Legislature:

- Inform legislators of CHIP program budget shortfalls and program closure procedures
- Call a special legislative session if necessary to implement transition plans or if state plans to use state only funds for CHIP

## Eligibility Systems

### Changes to Eligibility & Enrollment Systems:

- Eligibility system structure will affect the degree of complexity of these changes and may determine a state's decision about how to transition enrollees
- Identify and implement significant changes to systems to transition enrollees to other coverage sources
- Develop manual workarounds that may be needed during the system change process

### Coordination with Medicaid

- States choosing to transition CHIP enrollees to marketplace must first screen for Medicaid eligibility
- States opting to move enrollees to Medicaid will administratively transfer enrollees

### Coordination with Marketplaces

- If choosing to transition CHIP enrollees to a marketplace, inform marketplace as soon as possible
- After screening CHIP enrollees for Medicaid eligibility, transfer electronic accounts to marketplaces as soon as possible

## Contract Changes

### Assessing Contracts with Managed Care Plans:

- Determine whether to change or terminate contracts with managed care plans
- Estimate expenditures and service claims when ending managed care plan contracts to determine when to terminate agreement

### Assessing Contracts with Other Entities:

- Determine whether contracts with vendors and/or third-party administrators need to be modified or terminated