



February 9, 2015

The Honorable *First Name Last Name*  
United States House of Representatives  
*Address*  
*City, State Zip*

Dear Congressman *Last Name*,

As leading state and local Virginia organizations concerned about the health and wellbeing of Virginia's children and pregnant women, we write to urge you **to act quickly to continue funding for the Children's Health Insurance Program (CHIP)**. CHIP is known as FAMIS in Virginia and provides coverage for nearly 200,000 vulnerable children and pregnant women in the Commonwealth. The Virginia budget already relies upon funding from CHIP; without a funding extension, an estimated **104,221 children and 4,600 pregnant women will lose access to comprehensive, affordable health coverage.**

## What is CHIP?

The Children's Health Insurance Program (CHIP) is a partnership between the federal government and states to provide health insurance for children of low- and moderate-income families who are not eligible for Medicaid; it was created as part of the Balanced Budget Act of 1997 and has had bipartisan support from lawmakers both at the state and national level. Outreach and enrollment surrounding the CHIP program effectively cut the children's uninsurance rate in half.<sup>1</sup> The Affordable Care Act (ACA) extended the CHIP program through 2019 and ensured funding for the federal share of CHIP costs would be in place through 2015. The ACA was designed assuming CHIP would continue; however, funding for CHIP is set to expire on September 30, 2015.

## How CHIP Helps in Virginia

Virginia's CHIP program is known as FAMIS (Family Access to Medical Insurance Security). FAMIS provides children ages 0-18 living in families with incomes between 134% federal poverty level (FPL) and 200% FPL (less than \$39,581 a year for a family of three) with access to quality, affordable, comprehensive medical and dental services and gives families peace of mind about their health and financial security. In Virginia, FAMIS also provides medical coverage to over 4,600 pregnant women living in families making less than \$39,581 a year for a family of three. The number of babies born with low birth weight has reduced steadily in Virginia since the benefits were extended to pregnant women. **Unless Congress passes legislation to extend funding for CHIP, an estimated 104,221 children and 4,600 pregnant women in Virginia are at-risk of losing access to comprehensive, affordable health coverage.**

## ***FAMIS Ensures Children and Pregnant Women Have Access to Coverage and High-Quality Care***

- FAMIS helps ensure children and pregnant women have consistent access to primary care and prevention services; it enables them to develop relationships with their health care providers.
- Children enrolled in FAMIS have comprehensive mental health benefits that include community-based services, such as intensive in-home therapy, therapeutic day treatment, crisis intervention and

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<sup>1</sup> Wynne, Billy. "Whither CHIP?" Health Affairs blog.(19 August 2014) [http://healthaffairs.org/blog/2014/08/19/whither-chip/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=whither-chip](http://healthaffairs.org/blog/2014/08/19/whither-chip/?utm_source=rss&utm_medium=rss&utm_campaign=whither-chip)

stabilization, and case management. Without these services, children are more likely to be hospitalized or placed in residential care, both costly and restrictive treatments.

- Children enrolled in FAMIS have comprehensive dental benefits, including preventive services shown to prevent dental disease, which is the most common chronic disease in children. Pregnant women enrolled in FAMIS will have (effective March 1, 2015) a dental benefit that includes prevention and treatment services that are critical to the health of the mother and her baby.
- FAMIS provides access to prescriptions that children with chronic or complex health care needs—such as asthma, diabetes, or behavioral health conditions—require to stay healthy.

#### ***FAMIS Provides Affordable Coverage to Low-income Families***

- FAMIS offers more comprehensive benefits at a lower cost with no monthly or annual premiums and more affordable co-pays than other coverage options.

Enrollees with family incomes of 160% FPL	FAMIS	Qualified Health Plan in Federal Exchange
Average Annual Cost Sharing	\$89	\$411-\$480
Average Out-of-Pocket Maximums	\$350	\$1500 - \$2250

## **Why Maintain CHIP?**

### ***Marketplace Plans are Essentially Untested for Children***

Altering children’s coverage options while the ACA is ramping up will create unnecessary confusion for families, and such a change could compromise the robustness and affordability of coverage available to low- and moderate-income children. Moreover, a growing body of evidence indicates that CHIP affordability greatly exceeds Marketplace plan affordability for children, particularly once cost-sharing is considered.<sup>2,3</sup> Shifting more children and pregnant women onto private insurance plans is risky, as it remains unclear how these products will serve them. The current environment necessitates that we work toward stable coverage for children via proven programs.

### ***Family Glitch Still Looms and Children are Vulnerable Without CHIP***

Beyond the possibility of shifting children onto plans that serve them less effectively and are less affordable than CHIP, many children will be at risk for becoming uninsured (estimates range from approximately half a million to 2 million nationwide) due to the “family glitch”—the faulty affordability test that deems a whole family ineligible for Marketplace tax credits if one member has an offer of affordable individual coverage through an employer.

<sup>2</sup> Brooks, Tricia, Martha Heberlein, and Joe Fu. “Dismantling CHIP in Arizona: How Losing KidsCare Impacts a Child’s Health Care Costs.” Georgetown Center for Children and Families and Children’s Action Alliance. (May 2014) <http://ccf.georgetown.edu/wp-content/uploads/2014/05/Dismantling-CHIP-in-Arizona.pdf>

<sup>3</sup> Wakely Consulting Group. “Comparison of Benefits and Cost Sharing in Children’s Health Insurance Programs to Qualified Health Plans.” (July 2014) [www.wakely.com/wp-content/uploads/2014/07/FINAL-CHIP-vs-QHP-Cost-Sharing-and-Benefits-Comparison-First-Focus-July-2014-.pdf](http://www.wakely.com/wp-content/uploads/2014/07/FINAL-CHIP-vs-QHP-Cost-Sharing-and-Benefits-Comparison-First-Focus-July-2014-.pdf)

## Extending CHIP Funding Quickly Is Essential

Through CHIP, we have made significant gains in children's health insurance coverage rates and access to care. Ending CHIP funding in 2015 will destabilize coverage for children and risk the enrollment gains we have made since the program's inception, furthermore, according to current estimates, Virginia stands to lose up to \$232 million federal dollars for our CHIP program if funding is not renewed.<sup>4</sup> Time is of the essence as funding from the CHIP program is already included in Virginia's budget. **Virginia will not have enough federal carryover funding to continue the FAMIS program if funding is not renewed. We urge you to make a vote for four years of CHIP funding an immediate priority to ensure that Virginia's children have access to comprehensive, affordable health coverage.**

Sincerely,

American Academy of Pediatrics, Virginia Chapter  
American Congress of Obstetricians and Gynecologists  
Anthem HealthKeepers Plus  
Bon Secours Richmond Health System  
Champions for Children  
CHIP of Roanoke Valley  
CHIP of Virginia  
The Commonwealth Institute for Fiscal Analysis  
DentaQuest, LLC  
The Faces of Hope  
Fan Free Clinic  
Greater Prince William Community Health Center  
Harrisonburg Center for Relational Health  
Hemophilia Association of the Capital Area  
Innerwork Counseling  
Inova Health System  
Johnson Health Center  
Legislative Coalition of Virginia Nurses  
March of Dimes, Virginia Chapter  
Mary C. Foley  
Medical Society of Virginia  
Mental Health America of New River Valley  
Mental Health America of Roanoke Valley  
Mental Health America of Virginia  
National Alliance on Mental Illness of Virginia

Oral Health Improvement Coalition of South Hampton Roads  
Parents as Teacher of Virginia  
Piedmont Regional Dental Clinic  
Prevent Child Abuse Virginia  
Psychiatric Society of Virginia  
Social Action Linking Together  
Shenandoah Community Health Clinic  
Shenandoah County Free Clinic  
Shenandoah Dental Clinic  
University of Virginia Health System  
Virginia Association of Community Service Boards  
Virginia Association of Free and Charitable Clinics, Inc.  
Virginia Association of School Nurses  
Virginia Coalition of Latino Organizations  
Virginia Commonwealth University Health System  
Virginia Community Healthcare Association  
Virginia Consumer Voices for Healthcare  
Virginia Counselors Association  
Virginia Dental Association Foundation  
Virginia Dental Hygienists Association  
Virginia National Organization for Women  
Virginia Oral Health Coalition  
Virginia Organizing  
Virginia Poverty Law Center  
The Virginia Retired Teachers Association  
Virginia Rural Health Association  
Voices for Virginia's Children

Please contact Sarah Holland with the Virginia Oral Health Coalition [sholland@vaoralhealth.org](mailto:sholland@vaoralhealth.org) or Margaret Nimmo Crowe [Margaret@vakids.org](mailto:Margaret@vakids.org) with Voices for Virginia's Children with any questions or follow up.

<sup>4</sup> Estimate based on an analysis by the Georgetown University Center for Children and Families and the Center on Budget and Policy Priorities (June 2014)