



FY 2010 CHIPRA Performance Bonuses

Background

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) established "Performance Bonuses" for States to support the enrollment and retention of eligible children in Medicaid. The Performance Bonuses provide additional federal funding for qualifying States that have taken specific steps to simplify Medicaid and CHIP enrollment and renewal procedures and have also increased Medicaid enrollment of children above a baseline level. The amount of the award correlates with the percentage increase in enrollment above the baseline -- the more children States enroll, the higher the bonus, and States that achieve more than a 10 percent increase in enrollment receive an even larger ("Tier 2") bonus. The bonuses are awarded to States annually from FY 2009 – 2013. CMS awarded over \$75 million in Performance Bonuses to 10 States in FY 2009.

Facts

- CMS is awarding \$206 million in FY 2010 CHIPRA Performance Bonuses to 15 States across the country.
- The number of children enrolled in Medicaid in the 15 States receiving Bonuses increased by 874,347 children above the baseline level established for FY 2010.
- The enrollment increases in the qualifying States ranged from 6% to 36%; and 10 of the 15 States had enrollment increases of 10% or more, qualifying them for a larger, "Tier 2", award.
- Alabama again received the largest bonus of any State. This year, the State achieved a 36% increase in enrollment over the statutorily-set baseline and earned a \$54.9 million award.
- All States that received a Performance Bonus in 2009 qualified again for 2010; 5 of the States receiving bonuses this year are newly qualifying States.

Key Points

- We are very pleased that 15 States qualify for the CHIPRA Performance Bonus this year. These States have both simplified their programs and successfully enrolled children who are eligible for Medicaid.
- This is exactly the kind of progress envisioned by Secretary Sebelius' Connecting Kids to Coverage Challenge. Through this initiative, the Secretary has called upon federal, State and local governments, community-based organizations, health centers, school districts,



faith-based groups, Indian tribes and others to find and enroll the 5 million uninsured children who are eligible for coverage but are not enrolled, within five years. Given the expansions in eligibility that have occurred in recent years for children in both Medicaid and CHIP, assuring that all children who are eligible are actually enrolled is the single most important step we can be taking to further reduce the number of children in America who do not have health insurance.

- As these Performance Bonuses demonstrate, covering children remains a priority for States despite fiscal challenges. States have continued to make significant progress in this area. We are awarding bonuses to 15 States this year, compared to 10 last year, and we are awarding more than twice as much bonus funding than in 2009.
- States qualify for bonuses by enrolling more currently eligible children, not by expanding eligibility levels. They do this by cutting red tape and streamlining procedures so families can more easily enroll their children in health coverage and keep them covered for as long as they are eligible. The simplification measures that help States qualify for the bonuses remain a part of the programs and have a long-term positive impact on access to coverage and continuity of care into the future.
- Cutting red tape also reduces the administrative burden on States. Over the last decade, Louisiana has continuously improved its renewal processes and the State now boasts that the shift to a streamlined system saves its Medicaid program more than \$23 million annually.
- Even though cutting red tape can save administrative dollars, covering more eligible children does have costs. The Performance Bonuses help offset the costs of covering the lowest income children – those in Medicaid.
- As we move forward to implement the Affordable Care Act, these program improvements for children provide valuable lessons about strategies that will be useful in facilitating enrollment for the individuals that will become eligible for Medicaid in 2014.



FY 2010 Performance Bonus Awards

Alabama	\$54,965,407
Alaska	\$ 4,408,789
Colorado	\$13,671,043
Illinois	\$14,962,171
Iowa	\$ 6,760,901
Kansas	\$ 2,578,099
Louisiana	\$ 3,555,853
Maryland	\$10,549,086
Michigan	\$ 9,268,552
New Jersey	\$ 8,788,959
New Mexico	\$ 8,553,431
Ohio	\$12,376,346
Oregon	\$15,055,255
Washington	\$17,607,725
Wisconsin	\$23,076,127
Total:	\$206,157,744

For more information about connecting eligible children to health coverage, visit
www.insurekidsnow.gov