



## Children's Health Insurance Program

The Children's Health Insurance Program (CHIP) provides health insurance coverage for children in families whose income, though modest, is too high for them to qualify for Medicaid. States have discretion to determine the income threshold for eligibility, but it generally falls between 138 percent and 300 percent of the federal poverty level. Nearly 7 million people will be enrolled in the program, on average, during 2021. Like Medicaid, CHIP is administered by the states within broad federal guidelines. Unlike Medicaid, however, CHIP has a fixed nationwide limit on federal spending. In 2020, federal spending on CHIP was \$17 billion. The federal share of CHIP spending is based on a formula that increases the Medicaid federal share by 12 percentage points, on average.

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	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031
<b>BUDGET INFORMATION</b>													
Billions of dollars, by fiscal year													
<b>Budget Authority<sup>a</sup></b>	22	26	26	16	16	17	18	15	15	15	15	101	179
<b>Outlays</b>	16	16	15	16	16	17	18	18	19	19	20	80	174
<b>PARTICIPATION AND BENEFIT INFORMATION</b>													
Enrollment at Baseline Funding Amounts <sup>b</sup>													
Millions of children	7	7	7	7	7	7	7	7	7	7	7	n.a	n.a
Millions of adults	*	*	*	*	*	*	*	*	*	*	*	n.a	n.a
Total Enrollment	7	7	7	7	7	7	7	7	7	7	7	n.a	n.a
Average Annual Federal Spending on													
Benefit Payments per Enrollee (Dollars)	2,321	2,333	2,220	2,276	2,369	2,466	2,567	2,660	2,757	2,857	2,960	n.a	n.a
<b>Memorandum:</b>													
Available Funding to States (Billions of dollars)													
State allotments <sup>c</sup>	18	19	17	16	16	17	18	15	15	15	15	85	164
Prior-year funds available	6	8	12	13	13	13	13	11	9	5	3	60	101
Redistribution funds	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>5</u>	<u>19</u>	<u>46</u>
Total Available Funding	27	31	32	33	34	35	36	32	29	26	23	164	310

Components may not sum to totals because of rounding; n.a. = not applicable; \* = fewer than 500,000 enrollees.

- a. Title XXI of the Social Security Act provides funding through September 2027. Through 2023, budget authority for the program is set by statute. From 2023 to 2027, the budget authority is set equal to the sums needed to fund the outlays. After 2027, consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's baseline reflects the assumption that annual funding for the program will continue at \$15.3 billion based on the amount of budget authority available in 2027.
- b. Amounts represent the number of beneficiaries enrolled on an average monthly basis in the 50 states and the District of Columbia but exclude enrollment in the U.S. territories.
- c. States receive annual allotments from the total program budget authority based on a formula in title XXI of the Social Security Act. States have two years to spend the funds from the annual allotment and most states have funds available from the prior fiscal year's allotment at the start of a new fiscal year. In addition, any allotment funds that are not spent by the end of the two year period of availability are placed in a redistribution fund that may be distributed to states that exhaust all of their allotment funds before the end of the two-year period.