Mr. Chairman, thank you for bringing up this reauthorization of CHIP, and including language on CHIP Buy-In programs. This is a small part of the CHIP program and has gone mostly unnoticed. All states participate in the CHIP program, but CHIP has an income eligibility requirement. So when Congress created CHIP, we encouraged states to find innovative ways to extend coverage to uninsured children. Out of that came CHIP Buy-in programs.

A CHIP buy-in program provides comprehensive health insurance for children in families with incomes above a state's Medicaid/CHIP eligibility levels. Generally, a buy-in program requires families to pay what the state pays for the coverage and, in some instances, the program's administrative costs. Buy-in programs offer children the same comprehensive set of benefits offered through the state CHIP programs. Buy-in programs have the potential to offer families a lower premium level than what is available in the private market or exchanges because of administrative efficiencies and the size and composition of the risk pool.

Historically, states have blended the buy-in population with traditional CHIP population for purposes of establishing premiums, which increases the size of the risk pool and reduces premiums for the buy-in population. Buy-in programs typically mirror a state's CHIP program offering the same benefit package, with no or very low co-pays. This unified benefit package is advantageous for states because:

- it allows a state to implement a single outreach message on health coverage available to children,
- minimizes confusion to families when transferring from traditional CHIP to the CHIP buy-in program when their family income rises, and;
- saves on administrative costs.

In 2008, there were eight states who operated a CHIP buy-in program for ten years or more.

Florida has been operating their buy-in program since the beginning of CHIP. In 2015, they were informed by CMS that they could no longer blend their risk-pools and had to run two separate risk-pools for CHIP and the Buy-In population. They were also told that they would not be compliant with the Minimum Essential Coverage requirement subjecting everyone in the Buy-In plan to the Individual Mandate.

The result of this in 2015 caused premiums to double, and about 60% of the enrolled buy-in children dropped out of the program.

Earlier this year, CMS changed their mind. In a conference call with FL CHIP they verbally stated that they could re-blend the risk-pools. So, Florida CHIP will blend their risk pool and they will try to offer a Buy-In plan next year. While nothing exists in statute or regulation preventing them from blending, nothing exists permitting them to blend the risk-pools, and some faceless bureaucrat next year can change their mind and jeopardize the health plans of 12,000 children.

This language on CHIP Look-alike will provide clarity to states. States may continue to run a CHIP Buy-In plan. States may blend their risk-pools between traditional CHIP and Buy-In populations. And these plans will meet the Minimal Essential Coverage just like CHIP does, because these buy-in plans have benefits at least equal to CHIP. This provision costs the government nothing because the premiums collected pay for the buy-in program.

I also want to submit a letter of support from FL CHIP program, the letter from FL CHIP to CMS on blending risk-pools, and a background overview of CHIP buy-in programs.