



**CHILDREN'S ALLIANCE**

*A Voice for Washington's Children, Youth & Families*

## FACT SHEET: Apple Health for Kids earns federal bonus

Apple Health for Kids — Washington state's children's health insurance program — has won a \$17.6 million performance bonus from the federal government for its outstanding efforts to enroll children in health insurance and help them retain coverage. Washington, a long-time leader in health coverage for children, is one of just 15 states to be awarded a bonus. The award is a boost to the Apple Health for Kids program that many families are relying on to help them through the economic crisis.

The federal Children's Health Insurance Program Reauthorization (CHIPRA) law—the second bill signed into law by President Barack Obama—created performance bonuses to help states meet the cost of enrolling low-income children. The bonus structure set aggressive targets for enrollment and set a high bar for policies to promote enrollment, efficiency, and retention.

### **How did Washington qualify?**

Starting in December 2009, bonuses will be awarded annually to states that adopt strategies to improve enrollment and retention, and who meet cumulative targets for enrollment. Washington must continue to demonstrate excellence in enrolling and retaining children in order to receive bonus payments each year.

To qualify, states must have implemented at least five out of eight measures for simplifying enrollment and retention. Washington qualified this year because its policies include 12-month continuous coverage, no asset test, no in-person interviews, use of a joint application for both Medicaid and CHIP, and for offering a premium assistance option.

In addition to meeting these criteria, states must enroll an increasing number of children each year. Enrollment targets for this year were based on 3.5% growth in enrollment after accounting for population growth and changes in enrollment driven by the economy.

### **How can the funds be used?**

The Obama administration and Congress clearly intended for the bonus funds to be used by states to offset the costs of increased enrollment in children's health programs.

Earlier this year, Governor Chris Gregoire reluctantly proposed a cut to Apple Health for Kids, which would leave 27,000 children without health insurance coverage starting March 1, 2011. This performance bonus will cover the cost of preserving Apple Health for Kids, and should be invested in maintaining coverage for all children.

The money should also be used to support efforts that enhance efficiencies in administration and effective use of coverage. These goals can be met through funding community navigators and the Apple Health for Kids hotline, which help families connect to coverage and care, as well as "Express Lane Eligibility," which cuts barriers to coverage. With these programs, Washington will continue to receive increasing performance bonuses through 2013.

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