



# House Legislation: CHIP Extension, DSH Reduction Postponement

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October 3, 2017

The House Energy and Commerce Committee posted text of the bill (click [here](#)) to extend funding for the Children's Health Insurance Program (CHIP) for five years. The bill would also postpone the disproportionate share hospital (DSH) planned cuts for one year. The Committee will vote on this legislation on October 4, 2017. In addition to this legislation, the Committee will also vote on bills to repeal Obamacare's Independent Payment Advisory Board and to extend community health center funding that also expired at the end of September, click [here](#) for more information on all the legislation.

## CHIP Provisions

The CHIP provisions in the House bill mirror an agreement reached by Senate Finance Committee leaders in September to continue funding through fiscal 2022. The legislation would begin to wind down the Affordable Care Act's 23-percent funding increase in the federal match rate to states in two years and makes tweaks to the law's "maintenance of effort" requirements that prevented states from reducing eligibility for the program.

## DSH Reduction Postponement

The bill would modify reductions in Medicaid disproportionate share payments to hospitals by eliminating the Medicaid DSH cuts scheduled for 2018 and begin the reductions in FY2019. The aggregate reductions in DSH allotments will be changed to the following:

- \$3,000,000,000 for fiscal year 2019;
- \$4,000,000,000 for fiscal year 2020;
- \$5,000,000,000 for fiscal year 2021;
- \$6,000,000,000 for fiscal year 2022;
- \$7,000,000,000 for fiscal year 2023;
- \$8,000,000,000 for fiscal year 2024;
- \$8,000,000,000 for fiscal year 2025;
- \$8,000,000,000 for fiscal year 2026; and
- \$8,000,000,000 for fiscal year 2027.

## Other Provisions in Draft Legislation

The draft legislation includes the additional following provisions:

- \$1 billion in Medicaid funds for Puerto Rico;
- Extend the Childhood Obesity Demonstration Project and the Pediatric Quality Measures Program through 2022;
- Would adjust Medicare Part B and Part D premium subsidies for higher income individuals; and
- Require States to consider monetary winnings from lotteries (and other lump sum payments) for purposes of determining Modified Adjusted Gross Income (MAGI) for Medicaid and CHIP eligibility.

*If you have any questions, please contact our policy lead, Devon Seibert-Bailey, at 202-266-2600.*