



Streamlining Premium Assistance Rules

SGA encouraged Congress to simplify premium assistance rules so that states that wanted to offer such a program could do so. As part of H.R. 2, Congress increased the S-CHIP eligibility level to 300 percent of poverty (from 200 percent of poverty). As a result, more qualified families have access to employer-sponsored health coverage. By using S-CHIP resources to provide premium assistance to targeted families, states can take steps to prevent “crowd-out” of the private market that occurs when parents decline employer-sponsored coverage in favor of programs like S-CHIP.

| The Old S-CHIP Statute | The New S-CHIP Statute |
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| Required states to ensure on a case-by-case basis that premium assistance was cost effective as compared to enrolling an eligible child in the state’s S-CHIP program. | Allows states to use an “aggregate test” of cost effectiveness, which means they would only need to determine that the aggregate amount of state spending for premium assistance for all children participating in the state’s premium assistance program is no more than the cost of enrolling those children in S-CHIP, rather than doing a cost effectiveness test for individual families. |