**Program:** State Children's Health Insurance Program  
**Agency:** Department of Health and Human Services  
**Bureau:** Centers for Medicare and Medicaid Services

**Purpose**  
- Clearly defined purpose
- Goal: Increase in the number of additional children enrolled in regular Medicaid or SCHIP as compared to previous year

**Planning**  
- Effective planning
- Goal: Implement national health care performance measures across Medicaid and SCHIP (Measures under development)

**Management**  
- Strong management
- Goal: New national health care performance measures

**Results / Accountability**  
- Measured results
- Goal: SCHIP was designed to give states more flexibility to design their health care programs and 34 states have used this additional flexibility

**Key Performance Measures**

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>1 million</td>
<td>&gt;1 million</td>
</tr>
<tr>
<td>2001</td>
<td>1 million</td>
<td>&gt;1 million</td>
</tr>
<tr>
<td>2002</td>
<td>1 million</td>
<td>&gt;1 million</td>
</tr>
</tbody>
</table>

**Long-term Measure:** Increase in the number of additional children enrolled in regular Medicaid or SCHIP as compared to previous year.

**Annual Measure:** Measure national health care performance measures across Medicaid and SCHIP (Measures under development).

**Rating:** Moderately Effective  
**Program Type:** Block/Formula Grants  
**Program Summary:**

The State Children's Health Insurance Program (SCHIP) provides funds to states to initiate and expand health insurance coverage to uninsured low-income children less than 19 years of age.

The assessment found the program purpose is clear, program planning is very effective, and program results are evident. Since the inception of SCHIP coverage more children have been enrolled in Medicaid and SCHIP, and the overall number of uninsured children has decreased. SCHIP was designed to give states more flexibility to design their health care programs and 34 states have used this additional flexibility. In addition, States annually report on performance measures and enrollment. Additional findings include:

1. Existing performance measures, such as number of children enrolled in the program do not measure what impact the program is having on those children. The measures do not capture health outcomes or the efficiency of the program. Without a core set of national performance measures, the Centers for Medicare and Medicaid Services (CMS) has not been able to adjust program priorities based on national goals or to improve the program’s performance in the areas of utilization, access, health outcomes, or financial management. At this time, CMS does not perform risk assessments or calculate error rates.

2. GPRA goals for SCHIP do not reflect appropriate national outcome goals, such as those suggested by HHS in Healthy People 2010, including tracking leading health indicators such as immunization and access to health care.

3. While GPRA goals for SCHIP measure increases in enrollment, they do not measure the impact of SCHIP on the rate of uninsured children.

In response to these findings, CMS should:

1. Develop a core set of national performance measures with States to evaluate the quality of care received by low-income children.
2. Develop new annual and long term GPRA goals (e.g. measuring the impact of SCHIP on the rate of uninsured children), and
3. Develop a methodology to measure SCHIP improper payments, including producing error rates.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

**Program Funding Level (in millions of dollars)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2002 Actual</th>
<th>2003 Estimate</th>
<th>2004 Estimate</th>
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<tbody>
<tr>
<td>2002 Actual</td>
<td>3,682</td>
<td>4,751</td>
<td>5,090</td>
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