Model Legislation

Health and Human Services

SCHIP Anti-Crowd-Out Act

Section 1. {Short Title} This Act shall be known as the “SCHIP Anti-Crowd-Out Act.”

Section 2. {Requirement Regarding Employer-Sponsored Coverage} Subject to this Section, no payment may be made under the State Children’s Health Insurance Program (SCHIP) with respect to an individual who is eligible for coverage under a group health plan or health insurance coverage offered through an employer, either as an individual or as part of family coverage.

Section 3. {Option to Offer Premium Assistance for High-Cost Plans} A. In the case of an individual who is otherwise eligible for coverage under SCHIP but for the application of Section 2, and who has access to high-cost health insurance coverage, the [insert state] will offer a premium assistance subsidy for such coverage.

B. The amount of a premium assistance subsidy under this Section shall be the lesser of:
   1. An amount equal to the value of SCHIP coverage that would otherwise apply with respect to the individual or family but for the application of Section 2; or
   2. An amount equal to the difference between:
      a. The amount of the employee’s share of the premium for the high-cost health insurance coverage for the individual or family; and
      b. An amount equal to [insert percentage] of the total premium amount which includes both the employer and employee share.

Section 4. {Definitions} As used in this Act, the following definition applies:

A. “High-cost health insurance coverage” means a group health plan or health insurance coverage offered through an employer in which the employee is required to pay more than 20 percent of the total premium cost.

Section 5. {Severability Clause}

Section 6. {Repealer Clause}

Section 7. {Effective Date}


Related Files

SCHIP Anti-Crowd-Out Act (Adobe PDF File)