

Putting North Dakota's Children's Health Insurance Program (CHIP) in Perspective



A report from North Dakota KIDS COUNT

North Dakota's Children's Health Insurance Program is called "Healthy Steps."

Three programs help children obtain health care in our state.

Health insurance program name	What is this program?	What are the income requirements for eligibility?
Medicaid	A health insurance program for North Dakotans with incomes usually below the poverty level. It is mainly a free program, although there may be some small costs (co-pays).	Children ages 6-19 in families with net incomes at or below the poverty level and children ages 0-5 in families with net incomes at or below 133% of the poverty level are eligible for Medicaid.
Healthy Steps (CHIP)	Healthy Steps is North Dakota's CHIP - our Children's Health Insurance Program. Since 1997, all states have created health insurance programs to cover children who do not have health insurance, are 18 years of age or younger, do not qualify or are not fully covered by Medicaid, and live in lower-income families.	Children ages 0-18 in families with net incomes at or below 160% of the poverty level are eligible.
Caring for Children	Caring for Children is funded by the North Dakota Caring Foundation, a not-for-profit organization that was begun by Blue Cross Blue Shield of North Dakota in 1989. It is for children who do not have health insurance coverage and do not qualify for Medicaid or Healthy Steps.	Children ages 0-18 in families with net incomes from 161% to 200% of the poverty level are eligible. A limit of 750 children can be covered by this program.

2010-11 Poverty Guidelines

Eligibility for CHIP is based on children's age and their families' income with respect to the poverty level. The poverty level is influenced by family size.

Size of Family	100% of Poverty	160% of Poverty	200% of poverty	300% of poverty
2	\$14,570	\$23,312	\$29,140	\$43,710
3	\$18,310	\$29,296	\$36,620	\$54,930
4	\$22,050	\$35,280	\$44,100	\$66,150
5	\$25,790	\$41,264	\$51,580	\$77,370
6	\$29,530	\$47,248	\$59,060	\$88,590

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North Dakota uses "net income" to determine CHIP eligibility. Net income results when you subtract allowable deductions from a family's gross (or total) income.

Most states say they use gross (or total) income to determine eligibility, yet many of these states also allow deductions.

While North Dakota allows many deductions, the Andersons do not have enough deductions to enable their children to benefit from CHIP.

How does North Dakota compare?

State	Family Income Eligibility Level for CHIP	Common Monthly Deductions (amounts families can subtract from their gross income when calculating their CHIP income eligibility level)				
		Earnings (\$ per worker, per month)	Child Care Expenses	Child Support Received	Child Support Paid	Medical Premiums and Medical Expenses for Other Family Members
Iowa	300% of poverty	0	0	\$50	0	0
Minnesota	275% of poverty	0	0	0	0	0
Montana	250% of poverty	\$120	up to \$200	0	0	0
South Dakota	200% of poverty	0	up to \$500	\$50	full amount	0
Wyoming	200% of poverty	0	0	0	0	0
North Dakota	160% of poverty	\$90*	full amount	\$50	full amount	full amount

*Or the sum of state income tax, federal income tax, FICA, and any union dues, whichever is greater. In addition to these common deductions, see a complete list of deductions at www.state.nd.us/humanservices/policymanuals/healthysteps-508/healthy_steps.htm.

Meet the Anderson Family...

The Andersons have two children (ages 12 and 14). Their combined annual employment income is \$44,100. Neither parent has health care coverage at work. They do not have child care costs. Would the Anderson children be eligible for children's health insurance coverage in North Dakota or in nearby states?



State	Anderson Family annual income (two workers)	Amount of annual deductions allowed the Anderson Family by CHIP	Anderson Family annual income after deductions	CHIP Family Income Eligibility Level in 2010 (for family of four)	Are the Anderson children eligible for CHIP?
Iowa	\$44,100	0	\$44,100	\$66,150	Yes
Minnesota	\$44,100	0	\$44,100	\$60,638	Yes
Montana	\$44,100	\$2,880	\$41,220	\$55,125	Yes
South Dakota	\$44,100	0	\$44,100	\$44,100	Yes
Wyoming	\$44,100	0	\$44,100	\$44,100	Yes
North Dakota	\$44,100	\$4,887*	\$39,213	\$35,280	No

*Deductions for state taxes, federal taxes, and FICA assuming the Andersons take 4 exemptions on their W-4.