

# CHIP Saves

# Money

The numbers prove it.

**CHIP of Virginia is a statewide network of local programs that works to improve the lives of young children in low-income families.** CHIP improves health outcomes and

prevents long-term health problems for thousands of at-risk children. As a result CHIP saves Virginians thousands of tax-payer dollars annually. CHIP receives a portion of its funding each year from the Virginia General Assembly. Each of the 11 CHIP sites supplements that funding with local resources.

## OUR MISSION:

To improve young children's health and promote wellness and self-sufficiency in low-income families, through partnerships with local communities.

## CHIP's Partners In Pregnancy Program SAVES.

In 2002, CHIP partnered with Optima Family Care in an effort to reduce premature births and improve outcomes for high-risk pregnant women and their infants. The Partners In Pregnancy program combines home visits and case management services by CHIP nurses and outreach workers with Optima's medical care and telephone support. Evaluation results have shown a major cost-savings for Optima Family Care and improved health outcomes for the women and their infants.

<b>\$8,945</b>	Cost of high-risk pregnancy & delivery
<b>- \$6,658</b>	Cost of high-risk pregnancy & delivery with CHIP
<hr/> <b>\$2,287</b>	Savings per pregnancy & delivery

Partners In Pregnancy program expansion could lead to even greater cost savings for low-birthweight babies.

More than 10,000 babies born in Virginia each year are low-birthweight, which has serious implications for their future health

**“This program (CHIP) produces savings. This program saves lives. This program is part of the necessary infrastructure for Virginia's future health care system.”**

– John Oliver  
Assistant City Attorney of Chesapeake



and well-being. If CHIP expanded its Partners In Pregnancy services to an additional 200 women at risk of having low-birthweight babies, it could produce a net savings of \$457,400 and help decrease the number of low-birth weight babies.

<b>\$2,287</b>	Savings per pregnancy & delivery
<b>x 200</b>	Additional pregnant women
<hr/> <b>\$457,400</b>	Potential savings per year

## CHIP SAVES Medical Costs.

### Home Sweet Medical Home.

Having a medical home simply means that children receive both sick and well care from a doctor and team that knows them and their medical history. Access to a medical home has been proven to reduce child health expenditures by 21.7%. Last year CHIP helped an additional 64 children appropriately use a medical home. This creates a savings of \$36,800 in healthcare costs each year.

$$\begin{array}{r}
 \$2,650 \text{ Cost of medical care} \\
 \times 21.7\% \text{ Reduced cost by} \\
 \text{having a medical home} \\
 \hline
 = \$575 \text{ Annual savings per child} \\
 \times 64 \text{ Children who didn't have a} \\
 \text{medical home at enrollment} \\
 \hline
 \mathbf{\$36,800} \text{ Annual savings for new} \\
 \text{CHIP children}
 \end{array}$$

### A Breath of Fresh Air.

Nearly 15% of children enrolled in CHIP have asthma or a related respiratory condition. In Virginia, children aged 0-4 years have the highest rate of asthma hospitalization. An asthma related ER visit is approximately \$400, while an asthma related hospitalization costs \$6,304. CHIP works with parents and doctors to help manage children's asthma, thereby avoiding costly visits to emergency rooms and hospitals. This could potentially save \$547,350 per year.

$$\begin{array}{r}
 \$890 \text{ Savings per child per year} \\
 \times 615 \text{ CHIP clients with} \\
 \text{asthma-related diagnosis} \\
 \hline
 \mathbf{\$547,350} \text{ Estimated annual} \\
 \text{savings CHIP produces} \\
 \text{by providing asthma} \\
 \text{management education} \\
 \text{in the home}
 \end{array}$$

### Giving Children Something to Smile About.

Children who receive fluoride varnish treatments are four times less likely to have tooth decay than children not receiving treatments. Over the last year, CHIP nurses applied fluoride varnish treatments to 564 children. If this treatment prevents the average amount of decay experienced by low-income children, CHIP will have created a net savings of \$23,650.

$$\begin{array}{r}
 \$175 \text{ Cost of filling cavities} \\
 \text{for at-risk children} \\
 - \$120 \text{ Cost of series of dental} \\
 \text{varnish applications} \\
 \hline
 = \$55 \text{ Savings per varnish series} \\
 \times 430 \text{ CHIP children who complete} \\
 \text{dental varnish series each year} \\
 \hline
 \mathbf{\$23,650} \text{ Childhood dental care} \\
 \text{savings for CHIP children}
 \end{array}$$

## CHIP's Parents As Teachers SAVES.

CHIP outreach workers use Parents As Teachers (PAT), a national parenting education curriculum, during their home visits. In one study, 82% of children receiving PAT entered school ready to learn, versus 64% of children not involved with PAT. CHIP's family support and parent education programs save Virginia's schools both now and in the future by helping children enter kindergarten ready to learn and avoiding the cost of remediation for unprepared children.

$$\begin{array}{r}
 \$10,854 \text{ Virginia's cost of grade} \\
 \text{retention per child} \\
 - \$1,475 \text{ Cost of CHIP's PAT} \\
 \text{program per child} \\
 \hline
 = \$9,379 \text{ Potential savings per child} \\
 \times 126 \text{ Half the number of CHIP children expected} \\
 \text{to be retained based on Virginia rates} \\
 \hline
 \mathbf{\$1,181,754} \text{ Potential savings} \\
 \text{per year}
 \end{array}$$

## CHIP Works Hard.

### Newly Employed Parents.

At enrollment, 36% of CHIP parents are employed. This number increases to 46% one year later. If these newly employed CHIP parents are working 30 hours per week and earning \$8 per hour, they are bringing at least \$3.5 million into Virginia's economy annually.

$$\begin{array}{r}
 \$12,480 \text{ 30 hours/week at average} \\
 \text{wage of high school graduate} \\
 \times 279 \text{ CHIP parents that enter} \\
 \text{employment each year} \\
 \hline
 \mathbf{\$3.5 \text{ million}} \text{ Potential earnings} \\
 \text{to stimulate} \\
 \text{Virginia's economy}
 \end{array}$$

“Because of CHIP,  
I have a GED, a driver's license  
and a job.”

- Jefferson Area CHIP Parent



701 East Franklin Street  
Suite 502  
Richmond, VA 23219  
(804) 783-2667  
www.chipofvirginia.org