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Editorial: Bush directive a disaster for children's health

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Published 12:00 am PDT Monday, April 28, 2008

At this time of economic hardship, states are struggling to balance their budgets and preserve access to essential services.

So it is particularly galling that the Bush administration is forcing some states, including California, to scale back health insurance coverage for children whose parents do not get insurance through their jobs and cannot afford to buy it on their own.

Last August, the Bush administration handed down a directive to the states – without any notice, comment period or consultation – changing the rules for the decade-old federal-state partnership called the State Children's Health Insurance Program.

The Bush changes would require California either to cut back its program, turning away children covered in the past, or swallow the costs on its own at a time of economic downturn. The directive would take effect this August.

These changes are indefensible, especially at a time when more families are suffering hardship due to the downturn in the economy. Gov. Arnold Schwarzenegger sent a letter to President Bush asking that the new rules be withdrawn.

Further, the directive is likely illegal. An April 17 opinion by the general counsel of the Government Accountability Office makes it clear that before such rules can take effect, they "must be submitted to Congress and the Comptroller General."

Sens. Jay Rockefeller, D-W.Va., and Olympia Snowe, R-Maine, have asked the Bush administration to voluntarily rescind the directive. Four states already have filed a lawsuit and California has joined with an amicus brief.

But why wait for the courts? Assemblyman John Laird, D-Santa Cruz, and Sen. Darrell Steinberg, D-Sacramento, have introduced a joint resolution calling on the Bush administration and Congress to rescind the directive.

SCHIP currently covers 6.6 million children nationwide. In California, the program covers 866,000 children in families with incomes up to 250 percent of the federal poverty level (\$44,000 in pretax income for a family of three) – and some children with family incomes up to 300 percent of the federal poverty level. The families pay monthly premiums ranging from \$4 to \$45, plus co-pays averaging \$5, based on their ability to pay. They have to have been without employer-sponsored insurance for at least three months.

Under the new rules, California would have to prove that it covers 95 percent of children in families earning less than 200 percent of the federal poverty level before covering children of higher incomes. The Bush administration knows this is impossible in any voluntary program. The only health insurance program that comes close to reaching 95 percent enrollment is Medicare, which has automatic enrollment. The 95 percent rule, in effect, is a ban on covering children with family incomes of more than 250 percent of the federal poverty level.

State health officials estimate that California would lose federal funds for about 35,000 children. In addition, Schwarzenegger had hoped to expand California's program to provide insurance for about 117,000 more children with family incomes up to 300 percent of the federal poverty level. The Bush directive kills that.

All around, the Bush directive is a disaster. The president should voluntarily withdraw it – and if he doesn't, Congress should do it for him.

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