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## Obama Will Ease Restraints on States' Health Insurance Programs for Children

By [ROBERT PEAR](#)

WASHINGTON — Within days of taking office, President-elect [Barack Obama](#) will rescind a Bush administration policy that has impeded state efforts to provide health insurance to children from low- and middle-income families, aides and advisers said Monday.

The policy, issued in August 2007, is one of many that the new administration hopes to change or withdraw in its first weeks in office.

Some of the policies may take more time to revise because they are in regulations that have already taken effect and have the force of law.

Mr. Obama has said, for example, that he objects to a last-minute Bush administration rule that grants sweeping new protections to health workers who refuse to help perform abortions, dispense contraceptives or provide other care because of their "religious beliefs or moral convictions."

This "provider conscience regulation," published on Dec. 19, takes effect on Tuesday, the day of Mr. Obama's inauguration.

A 1983 [Supreme Court](#) decision suggests that the new administration would need to go through a formal rule-making process, with an opportunity for public comment, if it wanted to revoke this rule.

Seven states and two family-planning organizations challenged the rule in lawsuits filed last week in Connecticut. The new administration could try to postpone the effective date of the rule, pending judicial review. But a health care worker who was fired could still try to take advantage of protections offered by the rule.

Mr. Obama is also expected to revoke the so-called global gag rule, a policy that prohibits organizations receiving federal money from performing abortions or supporting abortion as a method of family planning in other countries. Critics say that the restrictions — imposed by President [Ronald Reagan](#), removed by President [Bill Clinton](#) two days after he took office and then reinstated by President Bush — also limit access to contraceptives and family planning services.

An official at the United States Agency for International Development, speaking on condition of anonymity, said, "We are preparing the new policy, press releases, a memo to the field that could go out immediately telling them that all the restrictions have been removed."

The policy on health insurance for children was set forth in a letter to state health officials, not in a formal regulation. The policy is fundamentally at odds with efforts by Mr. Obama and the new Democratic-controlled Congress to expand federal health programs to cover the uninsured, including middle-income families who have lost health benefits along with their jobs.

Under the Bush policy, the federal government said it would not allow states to cover children from families with annual incomes above 250 percent of the poverty level — \$53,000 for a family of four — unless they met several preconditions. To qualify, a state must demonstrate that at least 95 percent of eligible children in families making less than 200 percent of the poverty level have already been enrolled in [Medicaid](#) or the [State Children’s Health Insurance Program](#).

The purpose of the requirement, the White House says, is to make sure states focus on poor children first.

The Bush policy also requires states to establish waiting periods, so middle-income children do not go directly from a private health plan to a public program. Such youngsters must be uninsured for one year before they can enroll in the children’s health program.

A career employee at the [Health and Human Services Department](#) said the Bush administration policy had “prevented a lot of kids from receiving the health care they needed,” a concern echoed by many state officials.

The policy blocked or delayed the expansion of coverage in several states, including Louisiana, New York, Ohio and Oklahoma.

In September 2007, the Bush administration rejected a request from New York State to expand its Children’s Health Insurance Program to cover 70,000 additional uninsured youngsters.

New York wanted to cover children in families with incomes up to four times as much as the federal poverty level, or \$84,800 for a family of four. The state’s limit at the time was 250 percent of the poverty level.

New York eventually increased its income limit. But the federal government does not pay its usual share of the cost for children above 250 percent of the poverty level, leaving the state to shoulder the full cost. New York normally pays 35 percent of the costs under the child health program.

Researchers at [Georgetown University](#) have found that when a state expands eligibility by increasing its income limit, more than half of the people who sign up were already eligible under the old rules, but had not enrolled. Expanding eligibility apparently increases public awareness of the program and reduces its stigma.

Still, the issue is contentious in Congress.

“I do not believe it is good public policy for a family with an income of \$83,000 to be able to get on Schip when the median household income in America is about \$50,000,” said Senator [Charles E. Grassley](#), Republican of Iowa.

*Sheryl Gay Stolberg contributed reporting.*