



States won't be sanctioned over kids' health insurance

WASHINGTON (AP) — Reversing itself, the Bush administration said Thursday that states for now won't be penalized for failing to install restrictions making it harder for middle-income children to participate in a federal-state health insurance program.

States had been directed to make the changes in their State Children's Health Insurance Program by Monday or face financial penalties.

Among the required changes:

- Children must be uninsured for one year before they could enroll; and
- At least 95% of poor children eligible for Medicaid or SCHIP were already in those programs before states covered higher-income children.

HEALTH BLOG: [Parenting and kids' wellness news](#)

The directive was aimed at 15 states that extended health insurance to children in families with incomes above 250% of the federal poverty level — \$44,000 for a family of three.

Many governors and Democratic lawmakers criticized the administration's new guidelines as impossible to meet. They said the final result would be that more children would go without health coverage as states rein in their programs.

With the deadline fast approaching, the administration made clear that states were under no immediate threat of losing federal funding.

"At this time, we are not taking compliance action," said Jeff Nelligan, spokesman for the Centers for Medicare and Medicaid Services.

Nelligan said the agency was still determining whether the relevant states were in compliance and that it would work with them to ensure that the "most vulnerable, low-income children are covered first, without moving them from private to public coverage."

SCHIP is a federal-state partnership that provides health coverage to about 6.6 million people, the vast majority of them children. The program was at the center of a lengthy, contentious battle in Congress last year. Lawmakers tried to more than double spending on the program from about \$5 billion annually to about \$12 billion. But President Bush twice vetoed the legislation. Bush said the bills would move too many children from private health insurance to government-sponsored coverage. He also opposed the increase in tobacco taxes that would have paid for the expansion.

The administration's directive to states went out early in the debate. State and federal officials wanting to expand the program were outraged. Altogether, nearly two dozen states use their SCHIP programs to subsidize health insurance coverage for children in families above the threshold set by the administration, or had plans to do so. Several states including California, New Jersey, and New York, filed lawsuits seeking to void the guidelines.

In April, the Government Accountability Office said the administration overstepped its authority by issuing a rule change without congressional review.

Copyright 2008 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Find this article at:

http://www.usatoday.com/news/health/2008-08-14-children-insurance_N.htm?csp=34

Advertisement



ARGOSY
UNIVERSITY

Master's &
Doctorate
Degree
Programs



practitioner-focused
psychology and
counseling degrees

Click To Learn More ►