

**For Immediate Release:**

Thursday, Dec. 13, 2007

**Contact:**

Jennifer Combs

(202) 687-0331

**Tens of Thousands of Children at Risk of Losing SCHIP Coverage  
Due to Bush Administration's Aug. 17 Directive**

**WASHINGTON** -- Thousands of uninsured children whose states planned to offer them coverage will instead continue to go without coverage as a result of the Bush administration's Aug. 17 policy directive imposing new federal limits on State Children's Health Insurance Programs (SCHIP), and tens of thousands of more children will be affected in the coming months, according to a report released today by the Georgetown University Center for Children and Families.

The report, *Moving Backward: Status Report on the Impact of the August 17 SCHIP Directive to Impose New Limits on States' Ability to Cover Uninsured Children*, is the first comprehensive review of the impact of the new policy that effectively limits SCHIP coverage to children in families with income below 250 percent of the federal poverty level (FPL).

"The report shows the administration is using executive authority to make a sweeping change to SCHIP," said Cindy Mann, executive director of the Center for Children and Families and co-author of the report. "It is moving ahead without congressional authorization and using a backdoor way to shut down SCHIP coverage for uninsured children in modest-income families."

The report's key findings include:

- **Uninsured children already have lost out on coverage.** In just the short period since the CMS directive has been in effect, thousands of uninsured children have already lost out on coverage. Thousands more will be affected over the next few months.
- **Nearly half of all states will be affected by August 2008 (Table 1).** The directive affects coverage for children in 23 states, including 14 that already cover some uninsured children above 250 percent of the federal poverty level (FPL). These states must comply with the new rules by August 2008.

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- **The administration’s directive is already thwarting new initiatives to cover more uninsured children.** At the time the directive was issued, 10 states had already enacted coverage expansions for children but had not yet implemented them. These states will be affected at different times depending on their planned implementation date. As a direct result of the directive, four of these states—Louisiana, Oklahoma, Indiana, and New York—have already been forced to halt or cut back their plans to cover uninsured children in those states.
- **Basic questions about the administration’s new policy remain unanswered.** State SCHIP administrators still do not have answers from CMS to key questions about how the new directive --- issued as a letter to state agencies --- will be implemented, making it difficult for states to plan, creating uncertainty for families, and potentially leading to an inconsistent application of the new rules.

“The impact of this policy on uninsured children will continue to grow,” said Mann. “In just the few short months since it has been in effect, it has already caused thousands of children to miss out on coverage. Children in many more states will be affected in the months to come.”

The report, *Moving Backward: Status Report on the Impact of the August 17 SCHIP Directive to Impose New Limits on States’ Ability to Cover Uninsured Children*, is available on the CCF Web site at <http://ccf.georgetown.edu/index.html>. Michael Odeh, CCF’s research and policy analyst, is co-author of the report.

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