

New Bush Policies Limit Reach of Child Insurance Plan

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The Washington Post, August 21, 2007

The Bush administration, engaged in a battle with Congress over whether a popular children's health insurance program should be expanded, has announced new policies that will make it harder for states to insure all but the lowest-income children.

New administrative hurdles, which state health officials were told about late last week, are aimed at preventing parents with private insurance for their children from availing of the government-subsidized State Children's Health Insurance Program. But Democrats and children's advocates said that the announcement will jeopardize coverage for children whose parents work at jobs that do not provide employer-paid insurance.

Under the new policy, a state seeking to enroll a child whose family earns more than 250 percent of the poverty level -- or \$51,625 for a family of four -- must first ensure that the child is uninsured for at least one year. The state must also demonstrate that at least 95 percent of children from families making less than 200 percent of the poverty level have been enrolled in the children's health insurance program or Medicaid -- a sign-up rate that no state has yet managed.

These and other steps must be implemented within a year, Dennis G. Smith, director of the federal Center for Medicaid and State Operations, advised state health officials in a letter on Friday.

"We would not expect any effect on current enrollees from this review strategy," Smith wrote. He added that this focus on "the core uninsured targeted low-income population" will strengthen the program, known as SCHIP.

States had already been taking steps, such as imposing waiting periods, to keep parents from switching from private to government-subsidized insurance. But children's advocates called the new measures overly restrictive.

Cindy Mann, executive director of the Center for Children and Families at Georgetown University, said they "would effectively foreclose the opportunity for states to cover children in families with incomes of about \$40,000 to \$50,000 a year, depending on the size of family."

The District and 18 states, including Maryland, either cover children in families making more than 250 percent of the poverty level or have recently passed laws to do so, Mann said.

The administrative move, announced while lawmakers are out of town during the August recess, comes after the White House has wrangled with Congress for months over the future of the \$5 billion-a-year program.

The Senate and the House have passed legislation that would dramatically increase funding and make it possible to sign up millions of new children for coverage. But President Bush wants to keep the program largely unchanged and has promised to veto either bill, saying they would inappropriately increase the federal role in health care.

SCHIP was created in 1997 to help insure children whose families earned too much to qualify for Medicaid but not enough to afford insurance on their own. It serves about 6.6 million children annually, but will expire at the end of September if Congress does not reauthorize it.

Senate Finance Committee Chairman Max Baucus (D-Mont.) yesterday called the new requirements a "drastic change" that "jeopardizes coverage for tens of thousands of children in low-income, working families. New policies like this warrant greater transparency before changes are made. I hope the administration will reconsider."

Rep. Rahm Emanuel (Ill.), chairman of the House Democratic Caucus, said if the president were serious about enrolling the lowest-income children, the administration would allow states to sign up youngsters for SCHIP when they qualify for school-lunch and other federal programs.

"States want to get these kids enrolled, and they will get them enrolled," said Emanuel, who helped create the program as a staff member in the Clinton administration. "I think states will see the letter for what it is, and that's a political ploy by the president. This is a political attempt by the administration to try to intimidate states."