

New fight over more children's health aid Bush vows to veto plan to cover three million

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WASHINGTON – The politically charged proposal to extend health insurance to more than 3 million poor and lower-income children nationally – one of the most ambitious domestic health proposals to come through Congress in the last decade – unfolded yesterday in the Senate under the shadow of a formal veto threat from President Bush.

But unlike previous debates pitting Democrats against Republicans, yesterday's floor action on the State Children's Health Insurance Program, or SCHIP, put many Republicans at odds with their president and other members of the party.

The Senate plan would expand children's health insurance by \$35 billion over the next five years, while the House is expected to take up a competing proposal later in the week that could boost the initiative by \$50 billion during the same time frame.

Bush, however, has vowed to veto either plan, saying that the new coverage would encourage people to leave their private insurers for a government-run program. The White House reiterated its opposition yesterday, condemning the Senate bill as essentially extending "a welfare benefit to middle-class households" earning up to \$83,000 a year.

On the Senate floor yesterday, Senator Orrin G. Hatch – an influential Utah Republican and one of two original cosponsors of the SCHIP bill that became law in 1997 – said "mistakes" by the administration "have caused us a lot of problems here."

"We are trying to do what is right by our children, who are currently not being helped by our healthcare system," Hatch said. "If we cover children properly, we will save billions of dollars in the long run. Even if we didn't [save billions], we should still take care of these children."

But Senate Minority Leader Mitch McConnell Jr., a Republican from Kentucky and a staunch White House ally, said that while the children's health insurance program has been a "tremendous success," the Senate legislation was far too generous.

"It will significantly increase taxes ... and lead to a government-run health insurance," McConnell said. If senators allow states to add families with household incomes 400 percent above poverty levels, it would extend a federally funded benefit to those who can afford to pay for their own health insurance, he said.

The president backs a more modest increase of \$5 billion for the health insurance plan over the next five years. But opponents say that as the number of uninsured children continues to climb, many states – including Massachusetts – would have to drop more of them from their programs.

Signed into law by President Clinton, SCHIP gives federal block grants to states, which then determine how to spend the money for health insurance on eligible children. Since then, the number of children covered by the plan has steadily increased – 6.6 million children are now covered under the program, and the Senate proposal would add another 3.2 million. The House Plan would cover 4 million new children, but many of the 9 million children who currently do not have insurance still would not be covered.

Over the last decade, the children's health insurance initiative has "reduced the health disparities among children ... in communities across the country," said Senator Edward M. Kennedy, the Massachusetts Democrat who cosponsored the SCHIP legislation with Hatch in 1997. "This is a matter of enormous importance."

Kennedy added, "If we are interested in educating the children of this country, we have to make sure that children can hear the teacher, that children can see the blackboard."

Officials in Massachusetts, along with those in several states, are anxiously watching the political battle in Washington. The program ends on Sept. 30, giving the White House and lawmakers a deadline just two months away.

Massachusetts' universal health insurance plan depends on receiving funding from a variety of sources, including the SCHIP program. Last July, the state raised eligibility to children in families earning 300 percent of the poverty level, up from 200 percent. Currently, 90,500 children in Massachusetts are covered under the program.

In order to maintain its program and enroll more children who are eligible, the state forecasts it will need \$277 million in fiscal year 2008 – \$61 million more than the fiscal 2007 allocation. While Massachusetts officials said they have no projections on the financial assistance from the Senate and House plans, Bush's proposal, by definition, would result in health insurance for fewer children.

The president's proposal would cap insurance at 200 percent of the poverty level.

"We're watching this as closely as we can," said Alison Kirchgasser, director of federal and national policy management at the state office of Medicaid, part of the Executive Office of Health and Human Services. "The state is committed to covering as many people as we can. SCHIP is very important."

The measure has largely been funded without controversy until the White House insisted it would reject the expansion in the last few months. The Senate, in particular, has had strong bipartisan support for expanding children's health insurance, but the Bush administration's opposition has created much tension among Republicans.

The Senate bill would be funded by a 61-cent increase on cigarette taxes; the House measure also relies on an increase in tobacco taxes.

Senator Elizabeth Dole, a North Carolina Republican, called the legislation "not only the right policy, but it's the right thing to do." Nevertheless, she said the cigarette tax increase to pay for it was all wrong, predicting that her home-state tobacco industry "may collapse altogether" if the Senate passes the bill.

Michelle C. Bucci, a visiting health policy fellow at the conservative-leaning Heritage Foundation policy institute, said the tobacco tax unfairly targets families most likely to take advantage of the SCHIP program. "Over 50 percent of smokers are poor and low-income, so this is essentially hurting the people we're trying to help," she said.

But Cindy Mann, executive director at the Center for Children and Families at Georgetown University, said the child health insurance program is in dire need of expansion.

"We have 9 million uninsured children," she said. "What should happen is to take a program with a strong track record and strengthen it so that we can bring those 9 million uninsured children to as close to zero as possible."

Lew Finfer, director of the Massachusetts Communities Action Network, a federation of faith-based community organizations, said the focus now will be on Bush – whether he vetoes legislation, and then whether each chamber of Congress would have the two-thirds majority needed to override it. "The deadline is coming up fast," Finfer said.

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