

March 18, 2010

# Arizona Drops Children's Health Program

By **KEVIN SACK**

Arizona on Thursday became the first state to eliminate its [Children's Health Insurance Program](#) when Gov. Jan Brewer signed an austere budget that will leave nearly 47,000 low-income children without coverage.

The Arizona budget is a vivid reflection of how the fiscal crisis afflicting state governments is cutting deeply into health care. The state also will roll back [Medicaid](#) coverage for childless adults in a move that is expected to eventually drop 310,000 people from the rolls.

State leaders said they were left with few choices because of a \$2.6 billion projected shortfall next year. But hospital officials and advocates for low-income people said they were worried that emergency rooms would be overrun by patients who had few other options for care, and that children might suffer enduring developmental problems because of inadequate medical attention.

The cuts also mean the state will forgo hundreds of millions of dollars in federal matching aid, and could lose far more if Congress passes a health bill that requires states to maintain eligibility levels for the two programs.

Ms. Brewer, a Republican, has warned that more cuts will be needed if voters do not approve a referendum in May to raise the sales tax by a penny for three years, to 6.6 cents per dollar.

"Arizona is navigating its way through the largest state budget deficit in its long history," said Ms. Brewer, a staunch conservative who said she had never previously supported a tax increase. "With my signature on this budget, the first major step to recovery has been taken."

The Republican-controlled Legislature passed the budget last week, based largely on a proposal from the governor that included deep cuts to both health care and education. With state revenues down a third since 2007, the \$8.9 billion budget reduced spending by about \$1.1 billion.

Three states, including Arizona, had in the last year capped enrollment in the Children's Health Insurance Program, financed jointly by states and the federal government. But two of those states — California and Tennessee — quickly removed their caps, said [Jocelyn Guyer](#), co-executive director of the Center for Children and Families at [Georgetown University](#).

“They really are standing alone in cutting children off during the downturn,” Ms. Guyer said. “It’s going to have long-term consequences that will be there for kids long after Arizona’s budget situation gets better.”

The 12-year-old program, which enjoys bipartisan support in Congress, covers an estimated 7.7 million children whose parents typically make too much to qualify for Medicaid but too little to afford private insurance.

Krista K. Long, 35, a social worker near Phoenix whose son, Aidan, 12, is covered by the program, said she decided after the budget passed to marry her boyfriend so that Aidan might be covered under her new husband’s policy.

“I can’t risk having my child without [health insurance](#),” said Ms. Long, who is uninsured. “It would just take one fall off his bike and having to get an [X-ray](#) to really put us over the edge.”

The Medicaid reduction for childless adults rolls back an expansion approved by voters in 2000 and cuts enrollment about 25 percent. The expansion was to be paid for with tobacco settlement dollars, a revenue source that quickly proved inadequate.