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White House May Soften Health Policy

By JANE ZHANG

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WASHINGTON -- The Bush administration appears to be softening a policy that states have complained hindered their efforts to expand health-care coverage for poor children under a popular state-federal insurance program.

In a letter sent to states Wednesday, the administration says it will give states more flexibility to prove that they have enrolled 95% of poor children from eligible families -- a condition, laid out in an August directive, for using federal funds to expand coverage under the State Children's Health Insurance Program.

Hardly any state meets that threshold, and since then, several states, including New York and Ohio, have been forced to scale back their plans to expand coverage beyond children from families at twice the poverty level of \$42,400 for a family of four.

But Wednesday's letter will qualify "many" of the 15 states that may not have met the criteria using data from the Current Population Survey, said Herb Kuhn, deputy administrator of the Centers for Medicare and Medicaid Services. For example, state surveys can now be used, he said.

The letter came as the administration faces pressure from Congress and legal challenges by several states, including New York and New Jersey, over the 2007 directive. Last month, the Government Accountability Office, Congress's investigative arm, said the directive can't be enforced unless it passes congressional review.


It is unclear how the new clarification will affect states. Cindy Mann, executive director of Georgetown University's Center for Children and Families, said the administration already used the directive to deny state expansion plans. As a result, 26,000 to 44,000 children can't be covered, despite legislation in Louisiana, Ohio and Oklahoma that says so, she said.

The Bush administration's goal, she adds, seems more to have to do with defusing legal and congressional challenges than protecting children, Ms. Mann says. The new interpretation stressed that the 2007 directive was intended as "guidance" that would be applied to the states on a case-by-case basis. But the GAO has said that it should be considered a rule subject to review by Congress.

"We still don't have any clear, transparent guidelines as to what data will be available or what data will be sufficient," Ms. Mann said, adding that "it's window dressing."

The Bush administration has said the directive is on solid legal ground. It is meant to reinforce the program's original goal to cover low-income children and prevent families from dropping private coverage to enroll in the program.

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