

Lawmakers at SCHIP impasse while funding ends in mid-November

Democrats pledged to introduce a slightly modified children's health bill quickly in an attempt to achieve a veto-proof majority.

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Washington -- Physician organizations expressed dismay and vowed to press forward after the House on Oct. 18 failed to override President Bush's veto of a children's health care bill.

The American Medical Association will continue to work with lawmakers from both sides of the aisle to pass legislation reauthorizing the State Children's Health Insurance Program, said Board of Trustees Chair Edward L. Langston, MD.

"The number of uninsured kids has increased by nearly 1 million over the past two years, and action must be taken to reverse this growing trend," he said. SCHIP expired Sept. 30, but Congress extended funding until Nov. 16.

The American College of Physicians is urging lawmakers to pass another bill with levels of funding and coverage comparable to the vetoed version. "The current SCHIP formula clearly does not go far enough," said David C. Dale, MD, the college's president. "Until SCHIP is reauthorized, millions of children will be at risk of being denied basic health care needs."

But both parties are reluctant to change their opposing stances on program funding and eligibility.

Democratic leaders' strategy is to amend the bill slightly to attract the Republican votes needed to achieve a veto-proof majority.

House Speaker Nancy Pelosi (D, Calif.) and other Democrats said they would not support a measure that covers fewer children than the five-year, \$60 billion Children's Health Insurance Program Reauthorization Act of 2007 would have covered. Bush vetoed the bill on Oct. 3.

"The president and his allies in Congress may have stopped the SCHIP bill today, but we still will not allow that to deter us from our goal, which is to insure 10 million children in America," Pelosi said. SCHIP covers about 6 million children and 600,000 adults.

Majority Whip Jim Clyburn (D, S.C.) said it's a moral imperative to cover the children of America's working families. "Make no mistake, the president will see this legislation on his desk again in short order."

The House fell 13 votes short of the two-thirds majority needed to override the veto. Despite the shortfall, Democrats claimed victory because they were 11 votes closer to a veto-proof majority than they were when the House passed the bill 265-159 on Sept. 25. The Senate passed the measure with enough votes to override a veto on Sept. 27.

Minority Leader John Boehner (R, Ohio), who -- with other Republicans -- predicted that the veto override would fail, wrote a letter to Pelosi on Oct. 19 requesting meetings to craft a more bipartisan SCHIP measure. None of the 151 Republicans who voted against the SCHIP bill on Sept. 25 supported the veto override, despite an extensive public campaign by bill supporters. "Republicans want to renew SCHIP, as do Democrats here in this chamber, yet there has been no opportunity to work together," Boehner said.

On Oct. 18, House and Senate Republicans introduced their SCHIP bill, the More Children, More Choices Act. The measure's sponsors said it also would cover 10 million children with the help of \$1,400-per-child tax credits. The bill's text was not available at press time.

Pelosi said she opposes using tax credits to increase SCHIP funding. The Democrats' bill called for a 61-cent increase in the federal cigarette tax, which is 39 cents. Bush and many Republicans are against raising the tax.

If the Democrats can't get enough votes and decide not to negotiate a new bill with Republicans, they could try to pass a one-year program reauthorization. The idea would be to extend the program beyond the November 2008 elections, with the hope that a president more open to the Democrats' vision will be voted into office.

Jim King, MD, president of the American Academy of Family Physicians, said he was disappointed that the override failed but that a drawn-out battle over SCHIP wasn't appealing. It's time for full reauthorization, he said. "I'm hoping that [Democrats have] got their point, they've got their political capital from this vote, and now they'll go back and both parties will arrive at something that's positive for the citizens of this country."

Adopting a short-term funding resolution could be the "worst possible outcome for states," said Martha A. Roherty, director of the National Assn. of State Medicaid Directors. That's because it would make it more difficult for states to sign contracts with private health plans that provide the benefits and would make program administration more difficult. It also would limit states' ability to start any expansions or innovations.

Republicans: Focus on low-income kids

The Democrats' bill would limit SCHIP eligibility to enrollees earning 300% of poverty or less, transition adults to Medicaid, restrict coverage of parents, and bar immigrants, legal or otherwise, from the program.

Republicans, however, remain opposed to the Democrats' eligibility provisions. They said even limiting the program to children from families at or below 300% of poverty (about \$62,000 a year for a family of four) would cause SCHIP to siphon off enrollees from private insurance plans, an effect known as crowd out.

Rep. Steve King (R, Iowa) said the measure represents excessive government intrusion into the private health system. "This is the cornerstone of socialized medicine."

Jay Berkelhamer, MD, president of the American Academy of Pediatrics, said those who spoke against SCHIP should know that the program already is focused on low-income children. Ninety-nine percent of SCHIP enrollees are in families earning 300% or poverty or less, and 91% are from families earning 200% of poverty or less, said an October analysis by the Center for Children and Families at Georgetown University.

The Democratic bill eventually would allow eligibility expansions beyond 300% of poverty if a state's percentage of low-income children with health coverage reached the average percentage of the top 10 states.

Republicans would like tighter eligibility. Many, including President Bush, want guarantees that SCHIP will cover 95% of children in families earning 200% of poverty or less before allowing an eligibility increase to 250% of poverty. No state has enrolled more than 92% of children in families earning 200% or less of poverty.