

Seven simple truths about Congress's SCHIP reauthorization bill (H.R. 3963)

#1: Rich families don't get covered by Congress's SCHIP bill.

#2: Congress's SCHIP bill focuses on the neediest children eligible for the program

#3: President Bush's original SCHIP proposal would result in kids losing coverage.

#4: Congress's SCHIP bill refocuses the *children's* health insurance program on children.

#5: The health insurance companies have endorsed Congress' SCHIP bill.

#6: SCHIP has little effect on the number of people covered by Government health programs

#7: SCHIP benefits are not available to recent immigrants – legal or illegal

Seven simple truths about Congress's SCHIP reauthorization bill (H.R. 3963)

#1: Rich families don't get covered by Congress's SCHIP bill.

<p>MYTH: "It's estimated by—well, here's the thing, just so you know, this program expands coverage – federal coverage – up to families earning \$83,000 a year." -- President Bush, 10/3/07</p>	<p>REALITY: The President's statement is exactly the opposite of the truth. The bill does not expand eligibility; it limits it. States will still need White House permission to expand, and the bill will stop the White House from giving permission to go as high as it had been.</p>
<p>Background:</p> <ul style="list-style-type: none"> • The original SCHIP law in 1997 (P.L. 105-33, Sec. 4901) allowed states to cover children in families up to 200% of the federal poverty level or 50 percentage points above their upper limit for Medicaid, whichever was higher. It also allowed the states to apply to the White House for waivers to go above that limit. <u>The new bill (H.R. 3963) keeps those exact same procedures in place.</u> • The Bush administration has approved seventeen waivers for states to expand their programs' eligibility beyond 200% of the poverty line, including one above 300%. (It approved New Jersey's plan amendment to extend their program up to 350%). In 2007, the poverty line for a family of four is \$20,650, so <u>the White House's waiver allows New Jersey to cover families making up to \$72,275.</u> • Bush's "\$83,000" reference comes from a proposal by New York to cover families up to 400% of the poverty line, which would be \$82,600 for a family of four this year. The administration rejected that proposal this summer, and no state's SCHIP plan covers families making that much. • Congress's bill grandfathers New Jersey (no kids will lose coverage), but it imposes a new limit on waivers. Any proposal to expand eligibility beyond 300% would be prohibited unless the state meets very aggressive goals for covering families under 200% (H.R. 3963, Sec 116(e)). <p>Summary: <u>No state covers families making over \$80,000, this bill would prohibit any from doing so.</u></p>	

#2: Congress's SCHIP bill focuses on the neediest children eligible for the program

<p>MISLEADING QUESTION: "Why don't we focus on the poor children rather than expand the program beyond its initial intent?" -- President Bush, 10/3/07</p>	<p>STRAIGHTFORWARD ANSWER: We did focus on the poor children. Outside studies confirm it. And, as demonstrated in #1, #4 and #7, this SCHIP bill refocuses the program on its original intent</p>
<p>Background: All analyses of this bill show that the vast majority of the kids who will gain coverage would be from the poorest families. The exact number depends on who you ask:</p> <ul style="list-style-type: none"> • <u>Republican Senator Orrin Hatch (UT):</u> "92 percent of all the kids who will be covered by this bill will be in families under 200 percent of the poverty level" (Orrin Hatch press conference, 10/3/07) • <u>Congressional Budget Office:</u> "84 percent of the 3.8 million otherwise-uninsured children who would gain coverage under the bill are eligible under the states current eligibility criteria." (Center on Budget and Policy Priorities: "CBO Estimates Show SCHIP Agreement would Provide Health Insurance to 3.8 Million Children") • <u>Urban Institute:</u> "An estimated 78 percent of the children who would have been uninsured in the absence of the Senate bill have incomes below 200 percent of the [Federal Poverty Line]" (Urban Institute: "SCHIP Reauthorization: How will Low-Income Kids Benefit under House and Senate Bills?") 	

#3: President Bush's original SCHIP proposal would result in kids losing coverage.

<u>FANCY PHRASING:</u> “The President supports expanding SCHIP by \$5 billion over five years – a 20% increase” -- White House Press Release, 10/2/07	<u>PLAIN ENGLISH:</u> Health care costs are soaring, so it'll take an extra \$14 billion just to keep current programs. The President's plan provides only \$5 billion. <u>Under his plan, SCHIP would not expand. It would shrink, and thousands of kids would lose coverage.</u>
Background: <ul style="list-style-type: none">• The Congressional Budget Office (CBO) found that simply maintaining current SCHIP programs would require additional spending of \$14.1 billion over the next five years. (CBO: "Fact Sheet for CBO's March 2007 Baseline: State Children's Health Insurance Program")• In the CBO's analysis of the President's proposal, they found that SCHIP enrollment would decline from 8.3 million Americans in 2007 to 6.7 million by 2012. (CBO: "An Analysis of the President's Budget Proposals for Fiscal Year 2008") Summary: The President's plan to "expand" SCHIP would force 1.6 million people out of the program over the next five years.	

#4: Congress's SCHIP bill refocuses the *children's* health insurance program on children.

<u>HALF TRUTH:</u> “What we've seen in this program is money being diverted from children to adults.” -- White House Counselor Ed Gillespie on NPR's "All Things Considered," 10/5/07	<u>WHOLE TRUTH:</u> The policy of covering adults through SCHIP was adopted by the Bush Administration. This bill continues Congress's earlier work in rolling back that policy, and it directs spending back to the original purpose: covering children.
Background: <ul style="list-style-type: none">• The original SCHIP law (P.L. 105-33, Sec. 4901) directed the program to cover children but allowed states to apply for waivers to cover adults. <u>Under the new bill, no more waivers to cover adults would be allowed</u> (H.R. 3963, Sec. 112)• <u>In August 2001, the Bush administration encouraged states to be more aggressive in applying for waivers to cover adults.</u> The General Accountability Office (GAO) has identified 14 states that have received waivers to cover adults with their SCHIP funding – 12 of those states still cover adults. (GAO: "States' SCHIP Experiences and Considerations for Reauthorization")• Under this policy, <u>the administration granted waivers to states to use SCHIP funds to cover childless adults even though SCHIP is designed to serve children.</u> Despite opposition (e.g. GAO: "Recent HHS Waiver Approvals Raise Concerns," July 2002) the administration continued approving childless adult waivers. By 2005, it had granted permission to six states. In response, Congress passed a law (P.L. 109-171, Sec. 6102) that year to block any new waivers to allow SCHIP spending on childless adults. This year's bill would go further and end any existing waivers by 2009 (H.R. 3963, Sec. 112).• <u>The Bush administration granted its most recent waiver to cover adults on May 30 of this year.</u> In response, Republican Senators Grassley (IA), Hatch (UT), and Roberts (KS) sent a letter on July 12 asking the White House to stop granting these waivers because it was making SCHIP reauthorization "more expensive and more complicated."• The May 30 waiver was granted to the state of Wisconsin. It was granted by the Department of Health and Human Services, headed by Secretary Mike Leavitt. Yet in a column one week later, Secretary Leavitt cited Wisconsin's spending on adults (approved under the waiver) as an example of the administration's objections to SCHIP. (<i>The Hill</i>, Special Section; Healthcare, 6/6/07)• Despite some claims to the contrary, <u>this bill does not expand coverage beyond the age of 18. No 21-year olds or 25-year olds would gain coverage under this bill.</u> Summary: By blocking the Bush administration, Congress returns SCHIP's focus to kids.	

#5: The health insurance companies have endorsed Congress' SCHIP bill.

<p>MYTH: "... not wanting to have additional government-run health care, socialized-type medicine for this problem." -- White House Press Secretary Dana Perino, 9/25/07, on why President Bush opposes expanding SCHIP enrollment.</p>	<p>REALITY: SCHIP (and Medicaid) programs are nothing close to socialized medicine. They are government-financed, but they are primarily run by private health insurers. The health care is delivered by private doctors, nurses, and hospitals. Perhaps that's why this bill has been endorsed by national organizations of health insurers, doctors, nurses and hospitals.</p>
<p>Background:</p> <ul style="list-style-type: none"> • Almost two-thirds of Medicaid beneficiaries receive care through a private managed-care plan (Center for Medicaid and Medicare Services: 2006 Medicaid Managed Care Enrollment Report) • All but two state SCHIP programs contract with private companies to provide some or all benefits. (National Academy for State Health Policy: "Charting SCHIP III: An Analysis of the Third Comprehensive Survey of State Children's Health Insurance Programs") • Congress's SCHIP bill is supported by America's Health Insurance Plans, the American Medical Association, the American Nurses' Association, and the American Hospital Association. 	

#6: SCHIP has little effect on the number of people covered by Government health programs

<p>FANCY PHRASING: "Congress's SCHIP plan is an incremental step toward their goal of government-run health care for every American." -- President Bush, 10/6/07</p>	<p>PLAIN ENGLISH: If programs were simply continued in their current form, there would be about 90 million Americans covered by federal health programs in 2012. If this bill passes, the number would be about 95 million. It's not a big difference overall, but it does make a big difference to those 5 million kids.</p>
<p>Background:</p> <ul style="list-style-type: none"> • In 2005, the federal government funded health insurance for 80.3 million people through insurance programs like Medicare, Medicaid, SCHIP, as well as the Veterans' Administration and the Military. (Census Bureau: "Income, Poverty and Health Insurance Coverage in the United States 2006") • Through population growth and the aging of the population, that coverage is growing by over 2 million per year. (Census Bureau: "Income, Poverty and Health Insurance Coverage...") • <u>The extra funding in Congress's SCHIP bill would result in coverage for an additional 4.7 million children being enrolled in SCHIP and Medicaid.</u> (CBO: "Cost estimate for Children's Health Insurance Program as provided to CBO on October 24, 2007") 	

#7: SCHIP benefits are not available to recent immigrants – legal or illegal

<p>FAIR QUESTION: Many people have asked if SCHIP is available to illegal immigrants.</p>	<p>HONEST ANSWER: SCHIP has never been available to illegal immigrants, and this bill adds security measures to ensure that SCHIP covers only those who legally qualify</p>
<p>Background:</p> <ul style="list-style-type: none"> • The original SCHIP law (P.L. 105-33, Sec. 4901) made illegal immigrants ineligible for SCHIP benefits and gave states the option to cover legal immigrants after they had been in the country for five years. • The federal government has been unable to find any reports of people falsifying their immigration status in order to obtain benefits (GAO: "States Reported that Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Children and Posed Administrative Burdens") • In 2005, Congress passed a law (P.L. 109-171, Sec. 6036) requiring Medicaid applicants to provide certain documents to prove their citizenship. This bill extends that provision to SCHIP (H.R. 3963, Sec. 605) and requires states to verify citizenship by checking Social Security numbers. (Sec. 211) 	