



Opening Statement of Sen. Chuck Grassley
CHIPRA Markup
Thursday, January 15, 2009

The State Children's Health Insurance Program or SCHIP— is the product of a Republican-led Congress in 1997 signed into law by a Democratic President. It is a targeted program designed to provide affordable health coverage for low-income children of working families. These families make too much to qualify for Medicaid but struggle to afford private insurance. In 2007, the Senate Finance Committee reported bipartisan legislation to enhance and improve SCHIP by a vote of 17 to 4. The full Senate passed SCHIP legislation THREE times with broad bipartisan majorities. The House of Representatives also passed SCHIP legislation with broad bipartisan majorities. And the current President vetoed the bill twice. Well, next week, we'll have a president who will sign the SCHIP legislation. Now let me be clear; the route we are taking today is not my first choice. In a year where we are going to focus on comprehensive health reform, in a lot of ways it makes more sense to do a simple extension of SCHIP for two years so we can work through how to fold S-CHIP into a program that covers everyone.

A full reauthorization will make our health care reform work more complicated, but not impossibly so. For those of us still interested in moving forward on a bipartisan basis on health care reform, our problem is that, today, the Democratic leadership and the incoming Obama Administration appear to be abandoning the spirit of bipartisanship that we had for S-CHIP in 2007. Mr. Chairman, I think that you really wanted to do a bipartisan mark-up and I am sorry that it appears that the Democratic leadership and the Obama Administration have stymied your efforts.

The challenge we face moving forward on S-CHIP this year is that after we failed to get enough votes to override the President's veto on the first S-CHIP bill, we negotiated a second bill that I, personally, think was the better bill. The turn of events with the SCHIP reauthorization is disappointing and unfortunate. A great deal of hard work and bipartisan cooperation went into the SCHIP bills in 2007. It produced legislation that Rahm Emanuel said "should have strong support from both Democrats and Republicans and when the second SCHIP bill emerged Speaker Pelosi called the changes "a definite improvement on the bill." Other Democratic leaders said the second SCHIP bill was

even better than the first because it "focuses more on kids" and "focuses more on low-income families."

But now that by some reports change is coming to Washington, that spirit of bipartisan partnership for low-income children appears to be disappearing before our very eyes. It's being replaced with partisan exploitation. It's as unbelievable as it is saddening to see it happening. The Democratic leadership initially proposed returning to the first SCHIP bill. That meant that they were backtracking on agreements made on proposals they themselves offered in response to principled and vigorous criticism of the first bill. Even though this was troubling and despite my misgivings about going backward on agreements that had been made, I still offered to help find a deal that blended the policies in the first and second bills so as to keep the bipartisan coalition on SCHIP together.

Coverage of low income children has to be the priority. The issues are challenging ones that were debated vigorously in the 110th Congress. We worked together to respond to these issues and we had a very good proposal that involved compromise on both sides. Now, unbelievably, the other side does not even want to support the first SCHIP bill. The bills under consideration today drop policies on crowd-out of private coverage that were in both bills.

And the bills under consideration now put the issue of coverage of legal immigrants back on the table even though a key element of the CHIPRA 1 agreement included an agreement that the issue of providing taxpayer subsidized coverage to legal immigrants was explicitly dropped in favor of getting as many low income U.S. citizen children the coverage they need. Today, all of the Republicans who supported the second bill are being asked to retreat to the first bill. I could probably stomach going back to the first bill, though with serious reservations. I do not believe it is good public policy for a family with an income of \$83,000 — well more than median household income in America of about \$50,000 -- to be able to get on SCHIP. (Source: U.S. Census Bureau data for 2007 -- \$50,233 is the median income for a household) The bill we are marking up today allows that.

In 2007, we listened to CBO and others who talked to us about the problem of crowd out. That's when government coverage replaces private-sector coverage. We developed a very good policy on crowd-out. I am disappointed that the bill we are marking up today eliminates the crowd-out policy we so carefully drafted together and agreed to in 2007. But even then, I could probably find a way to support the bill on passage. However, it appears that the committee majority, supported by the Democratic leadership, is bound and determined to scuttle that bipartisan support.

On another important issue, since the welfare reform bill of 1996, immigrants coming to this country and their sponsors have been required to sign a contract that they will not seek public assistance for the first five years they are in this country. Today, the majority is determined to weaken that policy by lifting the five-year ban on Medicaid and SCHIP coverage for legal immigrants. One of the privileges of being the majority and being in charge is the ability and the responsibility to set the agenda. The agenda they have set for

the immediate future includes an immigration fight, and a contentious, partisan markup over what had been a bipartisan bill. The agenda they have set puts a short-term political gain ahead of the greater agenda of health care reform.

In 2007, the Majority Leader, Mr. Reid, said this SCHIP was “a very difficult but rewarding process for me. It indicates to me that there is the ability of this Congress to work on a bipartisan, bicameral basis.” I am deeply disappointed that going into the 111th Congress when we have so many important issues for working families that the Democratic majority and the Obama Administration have signaled that they place a higher priority on winning with the votes they have rather than actually changing the tone in Washington, rolling up their sleeves and working together on behalf of the American people. Mr. Chairman, this should have been an easy and quick bill to pick up and pass this year. Our bipartisan coalition fought side by side to get SCHIP done in 2007. Picking up that baton and carrying it across the finish line should have been a straightforward exercise. Instead, we are headed toward a process that will likely end up with a bill that many Republicans like myself who have been strong supporters of SCHIP no longer being able to support this bill. I don't think undoing agreements that have been made and veering toward partisanship instead of cooperation is the change that people believe in. And it does not bode well for how other major issues will be dealt with this year.