

CQ HEALTHBEAT NEWS
Feb. 15, 2007 – 4:06 p.m.
Putting a Face on SCHIP
By Colby Itkowitz, CQ Staff

Susan Molina, a single mother of two from Colorado, earns just enough to make her ineligible for government-funded children's health care, but not nearly enough to purchase it on her own.

"I want to give you a face to my pain," Molina said through tears to a panel of lawmakers Wednesday. "As a parent I have to decide whether to put food on the table or buy health insurance."

Molina's emotional testimony highlighted some of the pending questions surrounding the reauthorization of the State Children's Health Insurance Program (SCHIP) this year.

During an afternoon hearing, members of the Health Subcommittee of the House Energy and Commerce Committee listened to experts challenge who should be covered under SCHIP and at what cost.

Signed into law in 1997, SCHIP provides each state with federal funds to design a health insurance program. The states each determine eligibility groups, benefit packages and payment levels.

Since the program started, the rate of uninsured children in the nation has fallen by about 30 percent. But many argue the program remains underfunded and does not reach all families in need.

"The most immediate and glaring problem is the lack of funding for the program," said Health Subcommittee Chairman Frank Pallone Jr., D-N.J., who plans to hold a series of SCHIP hearings.

President Bush's fiscal 2008 budget supports boosting SCHIP's funding by just \$600 million to \$5 billion compared with fiscal 2006. (See [related story](#), *CQ HealthBeat*, Feb. 9, 2007).

While about nine million American children remain uninsured, six million would be eligible for Medicaid or SCHIP if there was enough funding and access, said Jeanne Lambrew, a George Washington University public health and health services professor.

To cover those six million would require at least \$6 billion additional federal funds per year, Lambrew said. And even then, millions of families like Molina's, would still remain uninsured.

"The majority, 68 percent, of uninsured children are in families with a full-time, full-year worker," said Nina Owcharenko, senior health care analyst for the Heritage Foundation. Owcharenko suggested offering tax breaks for families purchasing private health insurance.

She said one idea is to invest some SCHIP funds into a separate program that would hand out stipends for private insurance, allowing families like Molina's who don't meet the poverty requirements to still afford health insurance. Others said SCHIP should allow families who do not qualify to buy into the program at reduced rates.

Kay Paz Mingeldo's income did fall within the federal poverty level and her son, who was born premature, was covered by Medicaid as he underwent more than \$800,000 in hospital visits and treatment. In 2005, she was offered a job that did not include health insurance. The pay, while not

high, was enough that she wouldn't have been able to keep her son enrolled in publicly funded health care. She turned down the job.

"Allowing for a combination of public and private coverage would help families like mine — parents who want to work are willing to purchase private insurance, but need a little help to be sure that the policy covers their child's serious medical conditions," Mingeldo said.

President Bush's fiscal 2008 budget would not allow additional adults to be added to the SCHIP rolls. Current law gives states flexibility in who they enroll. Republican lawmakers argued Wednesday that broader health insurance issues should be dealt with in separate legislation, while SCHIP should focus solely on children's care.

But experts on the panel said statistically parents who have health insurance are more likely to ensure their children are covered as well.

"The evidence is clear" said Energy and Commerce Committee Chairman John D. Dingell, D-Mich. "Covering parents helps increase coverage of children. We know that providing health care to pregnant women improves birth outcomes. Providing health care now will prevent greater costs down the road."

Other kinks in SCHIP include a lack of awareness and simplicity with regards to enrollment, said Chris Peterson, a specialist in social legislation with the Congressional Research Service.