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Democrats Play Down Grassley's Warning About Need for Quick SCHIP Deal

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Democrats were skeptical of Sen. Charles E. Grassley's declaration that Congress will likely miss a Sept. 30 deadline to renew funding for a children's health insurance program unless lawmakers reach a deal by Wednesday.

Grassley, the ranking Republican on the Finance Committee and a key figure in negotiations on the State Children's Health Insurance Program, or SCHIP, said he hopes Senate leaders can convince House Democrats to support a new bill that closely resembles legislation (HR 976) the Senate passed Aug. 2.

That way, the Iowa senator said, the two chambers could avoid convening a conference committee to reconcile differences between the Senate bill and a more expansive measure (HR 3162) the House passed Aug. 1, which includes changes to Medicare.

Grassley admitted that he has no indication that House Democratic leaders are amenable to his strategy. And a spokesman for House Ways and Means Chairman Charles B. Rangel, D-N.Y., said Democrats do not share Grassley's view. "That's news to the majority," the spokesman said.

On Tuesday, Democrats were weighing whether to jettison portions of the House bill and, if so, how much. Senate Finance Chairman Max Baucus, D-Mont., said he has suggested to House Democrats that the two chambers work on separate Medicare legislation later. Grassley said Senate Democratic leaders have made it clear to their House counterparts that the House bill is unacceptable to most Senate Republicans and will not pass.

"There's been discussions I haven't been involved in that's indicated to [House Democrats] that it's pretty important to get them separated," Grassley told reporters. "In the next 24 hours, we will know if it's possible to do SCHIP before the end of the month."

SCHIP covers about 6 million children whose families are low-income but not poor enough to qualify for Medicaid. Without congressional action by Sept. 30, the program will have no new funding in fiscal 2008. Advocates for SCHIP are pressuring Congress to pass a large expansion of the program ahead of that deadline. If the permanent renewal falters, however, lawmakers say they will pass a temporary extension providing some new money, probably at the current rate of \$5 billion per year.

The House renewal would boost funding for the program by about \$47 billion over the next five years, to \$72 billion. The Senate renewal is less ambitious, increasing funding by \$35 billion, to about \$60 billion over five years.

The two chambers are having trouble reconciling the bills because Senate Republicans say they will not accept legislation that spends much more than their version or that includes cuts to Medicare Advantage, a program in which the government pays private insurers to cover seniors. The House bill does both.

Senate Republicans say they will block a conference unless House Democrats agree in advance to concede on both issues. So far, Democrats have refused.

Gordon H. Smith, R-Ore., said Senate Republicans might compromise on a \$37 billion expansion.

House Democrats have powerful supporters on their side. The seniors' advocacy group AARP and the American Medical Association (AMA), which represents physicians, both back the House bill.

AARP says the measure would improve Medicare benefits for many seniors, and the AMA backs it because it would roll back a scheduled cut in Medicare reimbursement rates for doctors in 2008 and 2009.

Meanwhile, a large coalition of churches and religious groups lobbied lawmakers in person to clear an SCHIP renewal before Sept. 30. The religious leaders, called the PICO National Network, say lawmakers have a "moral obligation" to expand health insurance for children.

About 50 PICO members visited lawmakers, group members said, delivering a letter signed by nearly 1,800 religious leaders advocating an SCHIP expansion in line with the House bill. PICO's policy director, Gordon Whitman, said Tuesday that the group's leaders got a sense from Democrats that a final SCHIP measure would likely look like the Senate bill.

"We heard a really consistent message that they're going to do what it takes to get a bill to the president," Whitman said. "I think it's pretty clear that means something closer to the Senate bill but more than \$35 billion."