

The State of the State Children's Health Insurance Program (SCHIP)

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States Children's Health Insurance Program (SCHIP) Background

- ▶ **SCHIP enacted in 1997 as part of the Balanced Budget Act**
 - ▶ Congress appropriated nearly \$40 billion to provide insurance coverage for children over following ten years
- ▶ **Target populations**
 - ▶ Children, ages 0-18, with household incomes \leq 200% FPL.
 - ▶ Could not be eligible for Medicaid (if under separate program).
 - ▶ Had to be legal, permanent residents
- ▶ **Variation among states in SCHIP programs**
 - ▶ States could expand Medicaid, create separate program, or both
 - ▶ 15 states got waivers to set eligibility above 200% FPL
 - ▶ States can simplify or complicate application procedures and eligibility
 - ▶ 11 states have implemented family coverage

States with Lowest Medicaid/SCHIP Eligibility Levels for Household Income as % of Federal Poverty Level in 2006

State	Medicaid Infants (Ages 0-1)	Medicaid Children (Ages 1-5)	Medicaid Children (Ages 6-19)	Separate SCHIP Program (Ages 0-19)
Less Than 200% FPL				
Alaska	175	175	175	***
Idaho	133	133	100	185
Montana	133	133	100	150
North Dakota	133	133	100	140
Oklahoma	185	185	185	***
Oregon	133	133	100	185
South Carolina	185	150	150	***
Wisconsin	185	185	185	***

*** = No separate SCHIP program in this state.

Source: Kaiser Commission on Medicaid and the Uninsured



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States with Highest Medicaid/SCHIP Eligibility Levels for Household Income as % of Federal Poverty Level in 2006

State	Medicaid Infants (Ages 0-1)	Medicaid Children (Ages 1-5)	Medicaid Children (Ages 6-19)	Separate SCHIP Program (Ages 0-19)
Up to 350% FPL				
Connecticut	185	185	185	300
Hawaii	300	300	300	* * *
Maryland	200	200	200	300
Massachusetts	200	150	150	300
Missouri	300	300	300	* * *
New Hampshire	300	185	185	300
New Jersey	200	133	133	350
Vermont	225	225	225	300
Up to 250% FPL				
California	200	133	100	250
Minnesota	280	275	275	* * *
New York	200	133	100	250
Washington	200	200	200	250

*** = No separate SCHIP program in this state.

Source: Kaiser Commission on Medicaid and the Uninsured

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Medicaid and SCHIP = Imperfect Safety Net for Children

California Eligibility for Medicaid (Medi-Cal) & SCHIP (Healthy Families)

300% FPL	Not Eligible <i>(AIM Program)</i>	Not Eligible			Not Eligible				
250% FPL		Healthy Families Eligible			Healthy Families Eligibility Authorized, Not Implemented				
200% FPL	Medi-Cal Eligible	Medi-Cal Eligible			Medi-Cal Eligible		Medi-Cal Eligible		Medi-Cal Eligible
133% FPL		Medi-Cal Eligible			Medi-Cal Eligible		Medi-Cal Eligible		
100% FPL		Medi-Cal Eligible			Medi-Cal Eligible		Medi-Cal Eligible		
75% FPL	Pregnant Women	Ages 0-1	Ages 1-5	Ages 6-18	Ages 19-64, with kids	Ages 19-20, Medically Indigent/Needy	Disabled and Aged	All Other Adults	
		Children			Adults				

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11 States Offer SCHIP Coverage to Parents of Enrolled Children

		SCHIP Parent Waivers				
Children's Medicaid/SCHIP Limit (%FPL)	Eligibility (%FPL)	Restricted to Subgroups?	Enrollment as of 12/31/06	Ever-Enrolled FFY 2006	Benefits	
Early Leaders in Children's Coverage						
Minnesota	275%	100-200-%	No	18,649	34,313	Medicaid/SCHIP
Rhode Island	250%	100-185%	No	12,077	20,771	Medicaid/SCHIP
Comprehensive Family Coverage Initiatives						
Arizona	200%	101-200%	No	14,269	24,769	Medicaid/SCHIP
Illinois	200%	36-185%	No	129,994	209,622	Medicaid/SCHIP
New Jersey	350%	35-115%	No	79,523	88,401	Medicaid/SCHIP
Wisconsin	185%	100-185%	No	38,994	70,227	Medicaid/SCHIP
Expansions with Limited Eligibility/Benefits						
Arkansas	200%	19-200%	Yes	n/a	n/a	Limited
Idaho	185%	35-185%	Yes	164	277	Limited
Nevada	200%	86-200%	Yes	n/a	n/a	Limited
New Mexico	235%	37-200%	Yes	2,260	2,756	Limited
Oregon	185%	0-185%	No	4,513	7,306	Limited
Enrollment Totals				300,443	458,442	

Source: The Kaiser Commission on Medicaid and the Uninsured


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SCHIP up for reauthorization

- ▶ **SCHIP enacted in 1997 and authorized for 5 years**
- ▶ **In 2002, SCHIP reauthorized for another 5 years**
- ▶ **Requires reauthorization to continue past FFY 2006-07**
- ▶ **Competing bills in House and Senate, both opposed by Bush administration**

Key Differences between Senate and House SCHIP Reauthorization Bills

	Children's Health Insurance Program Reauthorization Act of 2007 (<u>Senate Bill</u> – passed by Congress and vetoed by Pres. Bush)	Children's Health and Medicare Protection Act (<u>House Bill</u> – Died in Committee)
Enrollment Changes	<ul style="list-style-type: none"> ▶ 4.0 million otherwise <u>uninsured</u> ▶ 6.1 million <u>enrollment increase</u> 	<ul style="list-style-type: none"> ▶ 5.0 million otherwise <u>uninsured</u> ▶ 7.5 million <u>enrollment increase</u>
Coverage Options	<p>Option to <u>cover children up to 300% FPL</u> (could be waived, but with limited reimbursement), and pregnant women</p> <p>However, no new parent waivers available although childless adults could transition to Medicare coverage in 2 years</p>	<p><u>No upper income limit for children</u>, with older children and pregnant women covered under SCHIP, and legal immigrant children and pregnant women covered under SCHIP or Medicaid.</p>
New Spending	<u>Increase spending by \$35 billion</u> over 5 years	<u>Increase spending by \$47 billion</u> over 5 years
Offsets for New Spending on Children's Health	<u>Financed by a 61 cent increase in per pack federal tobacco tax</u>	<u>Financed primarily through a 45 cent increase in per pack federal tobacco tax AND reductions to Medicare Advantage Plans</u> , with small amounts coming from other Medicare provider cuts and Medicaid prescription drug rebate



Source: The Kaiser Commission on Medicaid and the Uninsured

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SCHIP Reauthorization Timeline

- ▶ **9/27/2007: Approved by Congress**
- ▶ **10/3/2007: Vetoed by the President**
- ▶ **10/18/2007: Veto sustained when House failed to override (vote = 273-156 — 286 needed)**
- ▶ **10/25/2007: House votes on new bill, addressing some concerns in President's veto, but failed again to get two-thirds majority vote**
- ▶ **As of 10/31/07:**
 - ▶ Negotiations continue
 - ▶ SCHIP is funded temporarily through November 16, 2007

Source: THOMAS-Library of Congress, Bills and Resolutions



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Final Vote Results for House and Senate on H.R.976

House of Representatives:

	YEAS	NAYS	PRESENT	NOT VOTING
Democratic	220	8	1	3
Republican	45	151		5
Independent				
TOTALS	265	159	1	8
VETO OVERRIDE TOTAL	<u>273</u>	156	Needed: 286 to override.	

Senate:

	YEAS	NAYS	PRESENT	NOT VOTING
Democratic	48			1
Republican	18	31		
Independent	2			
TOTALS	<u>68</u>	31	Needed: 67 to override.	

President Bush's Position on SCHIP Reauthorization

- ▶ **Originally proposed \$5 billion addition to SCHIP funds**
 - ▶ Too little money to insure all children currently on SCHIP
 - ▶ Refocus program on children below 200% FPL
- ▶ **Vetoed SCHIP Reauthorization Act on 10/03/07 because, he said:**
 - ▶ Would increase SCHIP such that families of four, making \$83,000 a year, might be covered through SCHIP
 - ▶ Expansion would displace children previously insured under private coverage to government coverage, which he said would move “health care in this country in the wrong direction.”
 - ▶ “Our goal should be to move children who have no health insurance to private coverage, not to move children who already have private health insurance to government coverage.”
- ▶ **In radio address on 10/6/07, Bush said that he could support slightly increasing his proposed \$5 billion dollar increase over next five years**

Reactions to Pres. Bush's Veto of H.R. 976

▶ Sen. Orrin Hatch (R-Utah)

- ▶ "Look, I disagree with the [White House] legislative staff on all of this. Frankly, I think the president has had pretty poor advice on this. I can answer every objection that they've made, and I'm very favorable to the president. I know he's compassionate. I know he's concerned about these kids, but he's been sold a bill of goods." (Washington Post, 10/04/07)

▶ Sen. Charles Grassley (R-Iowa)

- ▶ "Every effort was made to bring the Administration into the process....From their position, it was either my way or the highway. Well, that's not how the legislative process works. Now we've got to do what we can to try and override." (MSNBC broadcast, 10/03/07)

▶ House Speaker Nancy Pelosi (D-CA)

- ▶ "Despite the President's veto, we will continue to work with a bipartisan majority in Congress and 43 governors from across the country to increase support for SCHIP in the House so we can override the veto and provide 10 million children the health coverage they need and deserve...We remain committed to making SCHIP into law—with or without the President's support." (www.house.gov, 10/17/07)



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Next Steps in SCHIP Reauthorization

- ▶ **SCHIP is funded through November 16 under same extension as rest of federal government**
- ▶ **Speaker Nancy Pelosi met with key legislators following failed veto override vote**
 - ▶ Stated publicly that covering 10 million children is non-negotiable
 - ▶ Republicans stated interest in meeting with Pelosi
- ▶ **Speaker Pelosi scheduled vote on new bill for 10/25/07**
 - ▶ Attempted to address Republican concerns, but did not consult with Republicans
 - ▶ Passed with large majority, but did not win any new Republican support and did not get two-thirds majority support

Next Steps in SCHIP Reauthorization

- ▶ **Negotiations between Republicans and Democrats under way**
- ▶ **Senate Majority Leader Reid postponing vote on newly passed bill to see if veto-proof bill will emerge from House**
- ▶ **HHS Secretary Leavitt has stated that Administration okay up to \$20 billion increase**
- ▶ **Pres. Bush stated on 10/30/07 that any bill including tobacco tax increase would be vetoed**

Impact of Proposed Reduction in SCHIP in California

- ▶ **Nearly 700,000 children are currently enrolled in California SCHIP — called Healthy Families**
 - ▶ Proposed reduction of federal funds would eliminate 248,000 enrolled children from program
- ▶ **Another 200,000 uninsured children are eligible for enrollment into Healthy Families under current rules**
 - ▶ Proposed reduction would make 37,000 children no longer eligible
- ▶ **Total of 285,000 California children would lose access to SCHIP coverage if proposed income eligibility limited to 200% FPL**
- ▶ **Lesley Cummings, Executive Director of California SCHIP agency**
 - ▶ Advised adopting emergency regulations to establish waiting list and process for eliminating coverage of some of the 830,000 enrollees
 - ▶ “The stalemate in Washington is having a real impact on children here. Given continued uncertainty, we will have to start dropping children from the program — 64,000 a month, starting in January — to save money. This is getting less and less hypothetical.” (New York Times, 10/31/07)