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N E W S   R E L E A S E

Opening Statement of Senator John D. (Jay) Rockefeller IV (D-WV)
Subcommittee on Health Care
"Covering Uninsured Children: The Impact of the August 17 CHIP Directive"

I would like to open this hearing by thanking all of our witnesses for agreeing to testify today. I am grateful to each of you for taking the time to be here today, but I would especially like to thank Mr. and Mrs. Novak for coming to Washington all the way from Lebanon, Ohio. CHIP was created for people like the Novaks, hard working Americans who cannot afford health insurance for their children. I thank them for coming here to share their family's experience.

When it comes to reducing the number of uninsured children, states are on the frontlines of delivering comprehensive and affordable health care. They know what works best in their individual states and have developed innovative and laudable proposals for guaranteeing coverage for children.

A cornerstone of the Children's Health Insurance Program has always been state flexibility. And at time of growing economic uncertainty, we should be making it easier – not harder – for states to cover those working families who are in need of assistance. This is particularly true since many employers may be reducing private coverage because of increasing economic pressures.

That's why I'm so frustrated with the Bush Administration's August 17 directive that has placed an unobtainable mandate on states. In my judgment, its aim is simple: to make it virtually impossible to provide greater access to health insurance for children.

To be blunt: the August 17 directive is a solution to a problem that doesn't exist, except in the mind of Washington bureaucrats.

It's clear to this Senator, and great many others on this committee, that the real genesis for this directive can be found in last year's CHIP Reauthorization negotiations. When the Bush Administration realized it wasn't going to get its way because an overwhelming bipartisan majority in Congress was committed to doing the right thing by our children – they resorted to the only options left open to them: veto and administrative fiat.

With the stroke of a pen, and for less than $100 in postage -- the Administration has unleashed a tidal wave of financial uncertainty that will be measured in the loss of billions of dollars in state-aid, and hundreds of thousands of children being denied access to health insurance.

That's not right. It's not fair. And represents the worst kind of partisanship there is in Washington. It's no wonder the American people – who overwhelmingly believe we should be providing health insurance to children -- think so little of government.

No other voluntary federal means-tested program has enrollment of 95 percent. Participation in the Food Stamp Program is approximately 50 percent, roughly 30 percent below the participation rate for CHIP. Only in Medicare Part B, where seniors are automatically enrolled unless they specifically opt-out, is there a higher than 95% participation rate (95.5 percent enrolled).

My state of West Virginia has proposed an initiative to cover uninsured children up to 300% of the Federal Poverty Level which is $52,800 a year for a family of three. The state phased-in coverage to 220 percent of the FPL in January 2007, but has not taken any further steps to implement the planned expansion because of the August 17 directive. In other words, my state will not be able to move forward with this expanded coverage, and approximately 4,000 children will remain uninsured.

This committee will hear testimony today from a number of witnesses. Some will discuss the deeply personal impact this directive has had on our nation's families and our states.

The Administration will attempt to explain why it believes it has the legal authority to issue this regulation. CBO and CRS will testify as well, along with National Academy of State Health Policy and the Heritage Foundation. I look forward to hearing from all the witnesses. Senator Hatch, would you like to make a statement?

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