



For Immediate Release
April 9, 2008

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Subcommittee on Health Care
Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding “Covering Uninsured Children: The Impact
of the August 17 CHIP Directive”

Mr. Chairman, the poet Maya Angelou wrote: “Children’s talent to endure stems from their ignorance of alternatives.”

For better or worse, we grown-ups often know the alternatives. We seek a better future for our kids. And that’s what the State Children’s Health Insurance Program, or CHIP, is all about.

I am pleased that the Subcommittee on Health Care has convened this hearing to talk about CHIP.

The CHIP program provides access to health care for poor kids. At 11 years, CHIP is a relatively young program. Despite its youth, CHIP has achieved great success. It has cut the number of kids without health insurance by over one-third. It has given millions of kids a better future.

Kids without health insurance often do not get the care that they need. Kids who do not get medical care are more likely to miss school or to do poorly in school. This makes it harder for these kids to get good jobs if and when they finish school. The effects of kids going without health care are significant and far-reaching.

After ten successful years of providing poor kids with health insurance, CHIP came up for reauthorization last year. There was a great deal of interest and excitement at the opportunity to expand on the success of the program.

I made reauthorization of CHIP the Committee’s top health care priority last year. I was glad to work with Colleagues from both sides of the aisle. Senators Grassley, Rockefeller, Hatch, and I crafted a bill that would have strengthened and renewed this vital program. And we brought it to the Committee.

Then we went to the Senate floor. Then we negotiated with the House. The whole time, we were fighting to cover more kids in CHIP. We sought to give millions of kids a better future.

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Congress agreed that it wanted to cover more kids. Congress passed two reauthorization bills. They had strong support from both parties.

Unfortunately, the President did not agree. The President apparently did not feel that expanding access to health care for poor kids was the right goal. So he vetoed both of the reauthorization bills that Congress sent him.

Rather than let this important program lapse, Congress extended the program as it currently exists through March of next year.

But our fight to cover more kids is not over.

Senators Grassley, Rockefeller, Hatch, and I, and many other Members of Congress, continue to care a great deal about the future success of CHIP. We remain committed to reauthorizing the program in a way that will increase the number of kids covered. We still seek to give millions of kids a better future.

That commitment is at the heart of my concerns about the letter that CMS sent to the states on August 17, 2007. The so-called "CHIP directive" will limit enrollment. And that is the wrong direction.

It will limit states' ability to provide their poor kids with access to health care. And that is the wrong approach.

The restrictive nature of the policies in the directive will leave states little flexibility to expand CHIP coverage in the ways that Congress intended when it created the program in 1997 or in ways that CMS has approved since then.

Quite simply — imposing hurdles to CHIP coverage means that fewer kids will get the health care that they need. It denies millions of kids that better future.

Some may think that the August 17th directive will not have much of an impact. For them, let me tell you about the situation in my home state of Montana.

Folks in Montana would like to expand CHIP eligibility as a way to provide more kids with access to health care. There is a ballot initiative under development that would raise CHIP eligibility to 250 percent of poverty. That would be an expansion from Montana's current level of 185 percent of poverty.

Such an increase would add nearly 30,000 kids to the rolls in Montana. Last month, Montana's CHIP enrollment was just over 16,000 kids. Montana is poised to almost double its CHIP enrollment. Montana is poised to dramatically decrease the number of uninsured Montana kids. Montana is poised to give thousands of kids a better future.

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But the August 17th directive has Montanans nervous. Montanans are worried that the directive will prevent the expansion. Montanans are nervous that the administration will keep almost 30,000 kids in our state uninsured.

I cannot understand why the administration issued their CHIP directive. There are questions about the process by which it was issued. There also are questions about which data are right. I just want to know why covering more kids — whether it's 30,000 Montana kids or kids anywhere in the country — is not a good idea.

I hope that this hearing can help us to understand the CHIP directive. I believe that we should help our poor kids by providing them access to health care. The clear majority of Congress believes that. And the clear majority of the American people believe that.

The CHIP directive goes in the wrong direction. It restricts coverage when we should insure as many kids as we can. We need to provide — not prevent — access to health care.

So let's try to figure out how we can get back to the idea of covering more kids. Let's try to get back to the idea of giving millions of kids a better future. Because, as we all should know, there should really be no alternative.

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