

United States Senate
Committee on Finance
Washington, D.C. 20510

For Immediate Release

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Grassley, Hatch, Roberts urge Bush to protect children's health care dollars

WASHINGTON — Leading Republican members of the Senate Finance Committee today called on the President to stop the Department of Health and Human Services from granting and extending waivers for adult coverage under the State Children's Health Insurance Program.

In a letter, Sens. Chuck Grassley, Orrin Hatch and Pat Roberts said they were committed to returning the program to its focus on low-income children as they work on legislation to continue the program for another five years. They said the administration's approval and renewal of waivers has made it more expensive and more complicated to reauthorize SCHIP.

Grassley and Hatch have been working closely with the Finance Committee Chairman and the Chairman of the Subcommittee on Health Care to reach a bipartisan agreement on a reauthorization proposal. The Finance Committee is responsible for health care legislation and oversight of federal health care programs.

A number of states cover more adults through their SCHIP program than they do children, even while high rates of uninsured low-income children remain and the states ran out of money for the program. SCHIP is jointly financed by federal and state governments and is administered by the states.

"The mess created by the waivers makes it even more difficult to reauthorize SCHIP," Grassley said. "The waivers made program costs mushroom and led to funding shortfalls. Congress had to stopgap those shortfalls, and now Congress has to address the additional costs that come with all the adults that the administration approved for coverage under the children's health insurance program, as we work to get the program back on track and fulfilling its mission of delivering health care to low-income children."

"The purpose of CHIP is to help the children of the working poor, those whose parents make too much for Medicaid but too little to afford private insurance," Hatch said. "CHIP has

been incredibly successful in delivering care to children for 10 years, and altering that model to allow waivers for adults undermines our ability to help these kids out.”

“I strongly support returning the SCHIP program to its original focus: low-income children. We are signaling to the White House today that we want to make sure we are putting kids first. While we all agree with the need to address the issue of finding affordable health care options for adults, we shouldn’t be putting low-income kids at risk by using SCHIP as a vehicle to cover adults. Our focus should be providing health care coverage to those low-income children who still remain without health care coverage. Unfortunately, these waivers have threatened this priority, but it is our hope the administration will help us return SCHIP to its goal of covering low-income children,” Roberts said.

The text of the letter sent from Grassley, Hatch and Roberts to President George W. Bush follows below, along with the text of a letter regarding the same matter from the three senators to Secretary of Health and Human Services Michael Leavitt.

July 11, 2007

The President
The White House
Washington, DC 20500

Dear Mr. President:

As Republicans, we are supportive of efforts to provide health insurance coverage to eligible low income children. As part of the reauthorization of the State Children’s Health Insurance Program (SCHIP) we are committed to returning this program to its focus on low income children.

We are very concerned that the Department of Health and Human Services has approved and extended state waivers to cover adults. Simply put, adults should not have been added to a program for low-income children.

As you know, a number of these very states cover more adults through their SCHIP program than they do children. Yet, several of these states still have very high rates of uninsured low income children. Further, as these states covered adults in the SCHIP program, they ran short of funds. When this occurred, these states expected Congress to bail them out of funding shortfalls caused by funding that should not have been approved by HHS from the beginning.

The fact that the Department has approved these waivers in the past and has continued to extend them has complicated the reauthorization of the SCHIP program. Consequently, as part of reauthorization, Congress must address the adult populations added by the waivers.

We believe it is time to do all we can to return SCHIP to its original focus of covering low income children. Therefore, we respectfully request that you take steps to ensure that the Department refrains from granting or extending waivers for adult coverage under SCHIP.

We appreciate your prompt attention to this matter.

Sincerely,

Charles E. Grassley
United States Senator
Ranking Member of the Committee on Finance

Orrin G. Hatch
United States Senator
Ranking Member of the Finance Subcommittee on Health Care

Pat Roberts
United States Senator
Member of the Committee on Finance

CC: The Honorable Michael O. Leavitt, Secretary, Department of Health and Human Services

July 11, 2007

The Honorable Michael Leavitt
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Secretary:

Today we are sending a letter to the President regarding the approval of certain waivers for adults in the State Children's Health Insurance Program (SCHIP). As part of the reauthorization of the SCHIP, we are committed to returning this program to its focus on low income children. We are very concerned that the Department of Health and Human Services has approved and extended state waivers to cover adults. While we recognize that most of the waivers were approved before your tenure as secretary, simply put, adults should not have been added to a program for low-income children.

As you know, a number of these very states cover more adults through their SCHIP program than they do children. Yet, several of these states still have very high rates of uninsured low income children. Further, as these states covered adults in the SCHIP program, they ran short of funds. When this occurred, these states expected Congress to bail them out of funding shortfalls caused by funding that should not have been approved by HHS from the beginning.

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