

**Chairman Frank Pallone, Jr.  
Opening Statement**

**Health Subcommittee Hearing:  
Covering the Uninsured through the Eyes of a Child**

**February 14, 2007**

**The Committee will come to order. Let me begin by welcoming our witnesses. I appreciate your attendance and I look forward to hearing what you have to say.**

**Today, the Subcommittee will examine the problem of the uninsured and how it specifically impacts children. We will also explore the program Congress established nearly ten years ago to help alleviate this problem, the State Children's Health Insurance Program (SCHIP), which must be reauthorized this year.**

**As a father of three young children I realize how important it is for children to have access to quality health care. My wife and I are fortunate that we have the means to provide health insurance coverage to our three children through the Federal Employees Health Benefits Plan, the same program that many of my colleagues use to provide health insurance to their families.**

**But not every family is quite as lucky. Far too many American families are struggling day to day to afford the cost of health insurance. As health care costs continue to rise, employer sponsored insurance is eroding. Employers are shifting more costs to workers, or they are dropping coverage altogether. Nor has the individual market been a viable source of insurance coverage for most Americans. The result has been a steady increase in the number of uninsured Americans since 2001.**

**Today, there are nearly forty-seven million Americans who don't have health insurance. Millions more are underinsured. What is even more appalling is that approximately nine million of those who are uninsured are children.**

**I'm going to repeat that because I feel that it is worth emphasizing. Nine million children in this country have no health insurance. That is a national disgrace. In a country as wealthy and compassionate as ours, no child should be left behind without health insurance, let alone nine million.**

**This disturbing statistic would undoubtedly be worse if it were not for the State Children's Health Insurance Program. Since it was established by Congress ten years ago, SCHIP has helped reduce the number of**

uninsured children in our nation. Thanks to SCHIP, the percentage of low-income children in the United States without health insurance has fallen by one-fourth since it was created in 1997. More than six million low-income children, most of whom would otherwise be uninsured, are enrolled in SCHIP.

While the program has largely been a success, it is now being threatened. Last year, for the first time since 1998, the number of uninsured children in the country actually increased. We must stop this alarming trend. Part of our effort must include strengthening SCHIP so it can continue to serve those in need.

The most immediate and glaring problem is the lack of funding for the program. Simply stated, more money is needed in order to ensure the viability of SCHIP. Various health care experts have estimated that we need additional funding over the next five years simply to help maintain the program for those who are already enrolled. And if we are going to find the approximately 6 million children who are eligible for SCHIP or Medicaid, but who are not enrolled, we would need at least a total of \$50 billion over the next five years.

Some people may say that this figure is unreasonable or unrealistic and will be difficult to fund given the budget constraints, but I say how can we afford not to spend this money on this country's most vital asset, our children. It's simply a sound investment in our nation's future. Republicans had no problem spending \$534 billion on the Medicare prescription drug benefit, aren't our children worth even a fraction of what it cost us to just get seniors prescription drugs.

I also disagree with President Bush, who has come up with his own plan for SCHIP reauthorization. In his recent FY08 budget the President proposed a meager \$4.8 billion for SCHIP over the next five years and would limit eligibility to 200 percent of the federal poverty level.

His plan shortchanges America's children and will do nothing to solve the problems we currently face with SCHIP. In fact, it will make matters worse. I have little doubt, that if enacted, the President's proposal would result in fewer children with health insurance coverage than there are today.

What's worse is that the Administration knows this. They have to. Common sense tells us that restricted funding and limited eligibility is going to result in fewer insured children. Yet the Administration and Republicans in Congress try to shift the debate by arguing about "returning to the original objective of SCHIP by leaving out the parents that are covered today".

**The time has come to cut through all the smoke and mirrors. The truth of the matter is that a mere 10% of those covered under SCHIP are adults including pregnant women. And once you start to talk about reducing eligibility levels, cutting people from the rolls, and under-funding the program ... then that is when you are moving away from SCHIP's original purpose.**

**We have a unique opportunity before us this year. Finally, we have the chance to really do something about the uninsured. It is no longer good enough to simply say that we can't do this because it costs too much money. We as a nation must make choices about how we allocate our resources. I would submit that there are fewer needs more important than those of our children and we should be willing to spend the money necessary to ensure every American child has access to meaningful health care.**

**Ten years ago, we were able to come together in bipartisan spirit and work together to establish SCHIP. Ten years later, let us work together again to strengthen it. I am committed to that effort and I hope that my colleagues on both sides of the aisle will join with me. Thank you again to our witnesses for attending today.**