OFFICE OF SPEAKER NANCY PELOSI
FACT SHEET

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H.R. 2, Bipartisan Children's Health Bill, Will Provide Coverage to 11 Million Children

Key Points:

- **Today, the House will consider H.R. 2, State Children's Health Insurance Program (SCHIP) Reauthorization bill. This bipartisan bill renews and improves SCHIP, providing health care coverage for 11 million children – preserving coverage for the 7 million children currently covered by SCHIP and extending coverage to 4 million uninsured children who are currently eligible for, but not enrolled in, SCHIP and Medicaid.**

- **The goal is to get this bipartisan children's health bill to President Obama's desk in his first few weeks in office.**

- **Providing health care to 4 million more children will be a clear demonstration that change has come to Washington. This is legislation that President Bush vetoed twice in the 110th Congress.**

- **Polls have shown that more than 80 percent of the American people support this bipartisan legislation – including large majorities of Democrats, Independents and Republicans.**

- **SCHIP was created in 1997 to provide health care coverage for children in families that earn too much to qualify for Medicaid, but not enough to afford private insurance, and has proved a successful and cost-effective program for providing health care.**

- **Covering more eligible children is not only the right thing to do – it's also much more cost-effective for taxpayers than using the emergency room as a primary care provider. In addition, a healthy child is better prepared for learning and success.**

- **With rising unemployment, this SCHIP bill has become more critical than ever. In this recession, more and more American parents are having difficulty finding affordable health insurance for their children and the need for this legislation is growing each day.**

- **This bill includes a provision – supported by the American people -- that would give states the option of covering legal immigrant children who have been here less than five years under SCHIP and Medicaid. Their legal immigrant parents pay taxes and serve in the armed forces. It makes sense to cover these children – legally here – sooner than a five-year waiting period, in order to prevent critical health problems from going unchecked.**

- **The bill is fully paid-for – increasing the tobacco tax by 61 cents and also achieving savings by imposing restrictions on self-referral to physician-owned hospitals.**

Today, the House will consider H.R. 2, State Children's Health Insurance Program (SCHIP) Reauthorization Act. This legislation reauthorizes news and improves SCHIP and is based on the two previously-vetoed bipartisan bills. Following is an overview of some of the bill's key provisions.

Ensures health care coverage for 11 million American children. The bill renews and improves the State Children's Health Insurance Program (SCHIP), reauthorizing it for four and a half years – through FY 2013. The bill ensures that the 7 million children who currently participate in SCHIP continue to receive coverage. It also extends coverage to 4 million uninsured children, according to the nonpartisan CBO.

Improves care and strengthens funding. The bill invests billions in new funding over five years in SCHIP in order to strengthen SCHIP's financing; increase health care coverage for low-income, uninsured children; and improve the quality of health care children receive.

Provides resources for states to reach uninsured children who are today eligible for SCHIP and Medicaid but not yet enrolled. Two-thirds of uninsured children are currently eligible for coverage through SCHIP or Medicaid – but better outreach and adequate funding are needed to identify and enroll them. This bill gives states the resources and incentives necessary to reach and cover millions of uninsured children who are eligible for, but not enrolled in, SCHIP and Medicaid.

Improves SCHIP benefits – ensuring dental coverage and mental health parity. Under the bill, quality dental coverage will now be provided to all children enrolled in SCHIP. The bill also ensures that states will offer mental health services on par with medical and surgical benefits covered under SCHIP.

Improves outreach tools to streamline enrollment of eligible children. The bill provides $100 million in grants for new outreach activities to states, local governments, schools, community-based organizations, safety-net providers and others.

Improves the quality of care for low-income children. The bill establishes a new initiative to develop and implement pediatric health quality measures and improve state reporting of quality data.

Gives states the option of covering certain legal immigrant children. The bill gives states the option of covering legal immigrant children who have been here less than five years under SCHIP and Medicaid. The current five-year wait period can mean the difference between preventing or treating health conditions that can affect a child's prospects for a healthy and productive life – or leaving those conditions undetected and not prevented, costing taxpayers much more in the long run. (The House passed this provision previously on August 1, 2007 as part of the Children's Health and Medicare Protection (CHAMP) Act.)

Prioritizes children's coverage and phases out coverage of childless adults and parents. The bill phases out the coverage of childless adults and parents in SCHIP.

Is fully paid-for – with an increase in the tobacco tax and a provision regarding self-referral to physician-owned hospitals. First, the bill raises the tobacco tax by 61 cents a pack. Raising the tobacco tax discourages children from smoking – and polls show the public supports it as a way to pay for health care. According to the Campaign for Tobacco-Free Kids, a 61-cent increase in the tobacco tax means that 1,873,000 fewer children will take up smoking. Secondly, the bill closes a loophole in Medicare that allows physicians to profit from referring their patients to hospitals in which they have an ownership interest. Many analysts believe that self-referral to physician-owned hospitals increases unnecessary utilization and encourages the skimming of healthier, less complex, and insured patients by these facilities for higher profit margins. Consequently, this leaves full-service community hospitals with sicker, more complex (and less profitable) patients, which is a further drain on the safety net.