

Children's Health Bill Already Meets Principles Laid Down by House GOP Leaders

In a January 9th letter to President-Elect Barack Obama and Speaker Nancy Pelosi, Republican Leader John Boehner and Republican Whip Eric Cantor state that any State Children's Health Insurance Program (SCHIP) reauthorization bill that comes to the House Floor should adhere to certain key principles, which they lay out in the letter.

What the Boehner-Cantor letter fails to take into account is that H.R. 2, the bipartisan SCHIP legislation that will come to the Floor this week, already adheres to the principles they articulate – except for the principle that PAYGO be ignored and no revenues be identified to pay for these children's health improvements.

The Boehner-Cantor letter also ignores the fact that the SCHIP legislation has always been a truly bipartisan effort – with passage by strong bipartisan majorities. For example, the House passed the first SCHIP bill by a bipartisan vote of 265-159, with 45 Republicans voting YEA. Similarly, the House passed the second SCHIP bill by a bipartisan vote of 265-142, with 43 Republicans voting YEA.

Below is how the children's health bill already adheres to the principles identified by the GOP leaders.

PRINCIPLE STATED BY HOUSE GOP LEADERS: “We believe that SCHIP legislation should ensure that states are enrolling poor and low-income children below 200 percent of the federal poverty level, especially those who are currently eligible for Medicaid and/or SCHIP, but are not yet enrolled.”

FACT: The whole focus of H.R. 2, the SCHIP Reauthorization bill being considered this week, is providing states the resources and incentives to enroll those children who are currently eligible for Medicaid and/or SCHIP but are not yet enrolled – and putting a priority on the lowest-income children.

- This bill targets enrolling children who are currently eligible for Medicaid and/or SCHIP – almost all of whom have incomes below 200% of the poverty line.
- The legislation also provides the states with considerable financial incentives for covering low-income children first.
- For example, under the bill, bonus payments to states that enroll eligible but uninsured children are only paid for children who are newly enrolled in Medicaid, not SCHIP. Most of these Medicaid children have incomes below the poverty line. This provision targets enrollment of low-income children, just as the GOP leaders advocate, because Medicaid-eligible children are the lowest-income children in the state.
- The bill also provides that states cannot receive the SCHIP federal matching rate for any children covered in families with annual incomes above \$52,800 for a family of three – further ensuring that funds are targeted at low-income and modest-income families.

PRINCIPLE STATED BY HOUSE GOP LEADERS: “Only U.S. citizens and certain legal residents should be permitted to benefit from a program like SCHIP.”

FACT: This bill contains numerous provisions to ensure that illegal immigrants will never, under any circumstances, receive coverage under SCHIP.

- The bill includes a provision explicitly reaffirming that nothing in the act allows for payments for individuals who are not legal residents.
- Under current law, there is no citizenship documentation requirement for SCHIP. This bill requires, for the first time, that SCHIP programs comply with the citizenship and identity documentation requirements in Medicaid. SCHIP beneficiaries will have to document both citizenship and identity to be eligible for coverage.
- The bill includes a provision allowing states the option to electronically verify citizenship and identity through the Social Security Administration to ensure the citizenship documentation requirement is met, without discouraging enrollment of eligible citizen children. That provision includes all of the modifications negotiated with House and Senate Republicans in 2007.
- It is true that the bill does include provisions giving states the option to cover legal immigrant children and pregnant women under Medicaid and SCHIP without the current five-year waiting period; because a sick child or pregnant woman should not have to wait for needed health care. However, these provisions ensure that illegal immigrant children and pregnant women are not covered.

PRINCIPLE STATED BY HOUSE GOP LEADERS: “SCHIP should not replace private health insurance or force children with private health care to move into a government-run program.”

FACT: This bill contains several provisions that are designed to minimize children moving from private insurance to SCHIP.

- The bill creates new options for states to develop and expand premium assistance programs, which allow states to use SCHIP and Medicaid funds to help subsidize employer-sponsored health care coverage for a child (thereby keeping a child in their parents’ employer-sponsored health plan).
- The bill ensures that bonus payments are targeted only to children in Medicaid, who are the least likely to have private insurance.

PRINCIPLE STATED BY HOUSE GOP LEADERS: “Congress should not use this legislation as an opportunity to raise taxes ... to pay for expanding the program.”

FACT: Unlike the other principles, this is a principle Democrats do not agree with; they believe that fiscal responsibility requires that PAYGO be complied with, except for emergency legislation. This bill is fully paid for. It raises only one tax -- raising the tobacco tax by 61 cents.

- The Democratic-led 111th Congress is proud of the fact that the SCHIP bill coming to the House Floor is fully paid for – adhering to the PAYGO rules.

- In 2002, the Republican-led Congress allowed the PAYGO rules to expire. Since then, under President Bush, the national debt has exploded.
- When President Bush was sworn into office, the national debt stood at \$5.7 trillion. Today, our national debt stands at \$10.6 trillion – which is almost twice as high. The Bush Administration is leaving this staggering debt to our children and grandchildren – because they refused to adhere to PAYGO.
- Furthermore, increasing the tobacco tax promotes another public health goal: reducing the incidence of teen smoking. The higher the cost of cigarettes, the less likely that children will take up smoking. Specifically, 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.
- Finally, the vast majority of Members of the House and Senate – both Democratic and Republican – are on record in favor of raising tobacco taxes. In August 2007, all but 4 House Republicans voted for the GOP motion to recommit that included an increase of 45 cents a pack in the tobacco tax.

January 13, 2009