

Children's Health Coverage: The Context for the SCHIP Debate

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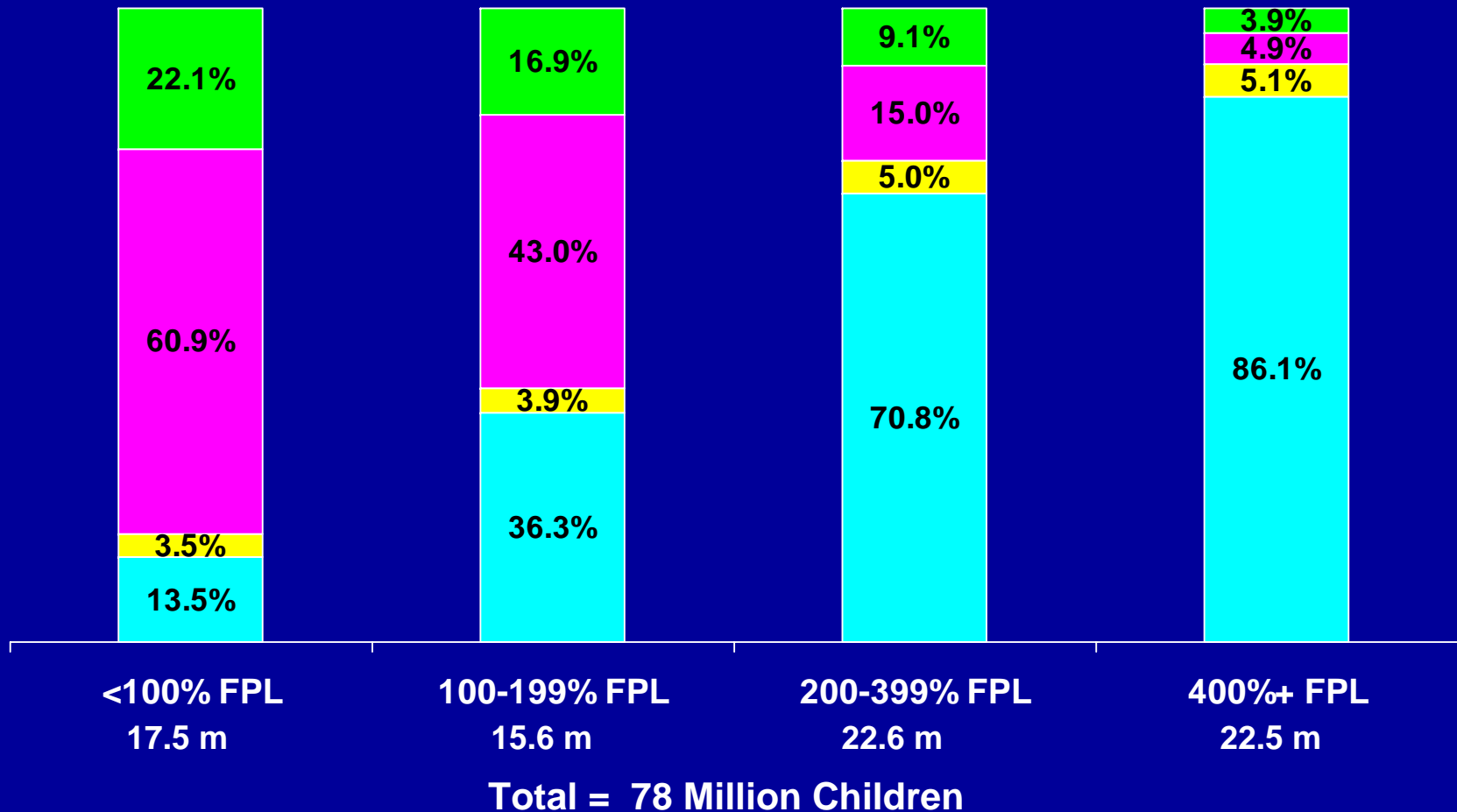
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Figure 1

Health Insurance Coverage of Children by Income, 2006

Employer-Sponsored Private Non-Group Medicaid/Other Public Uninsured



SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis based on the Census Bureau's March 2006 Current Population Survey, September 2006.

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Figure 2

SCHIP Builds on Medicaid for Children's Coverage

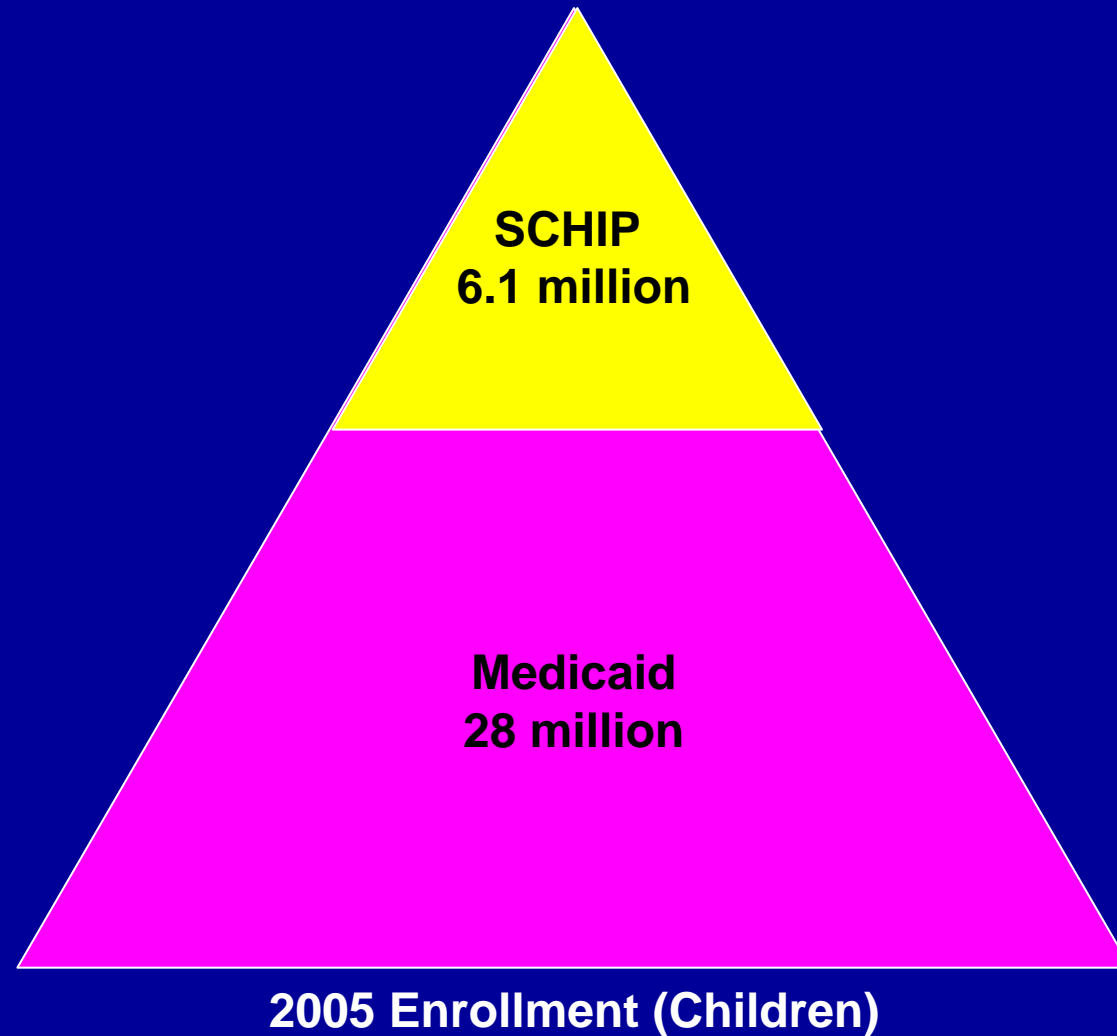


Figure 3

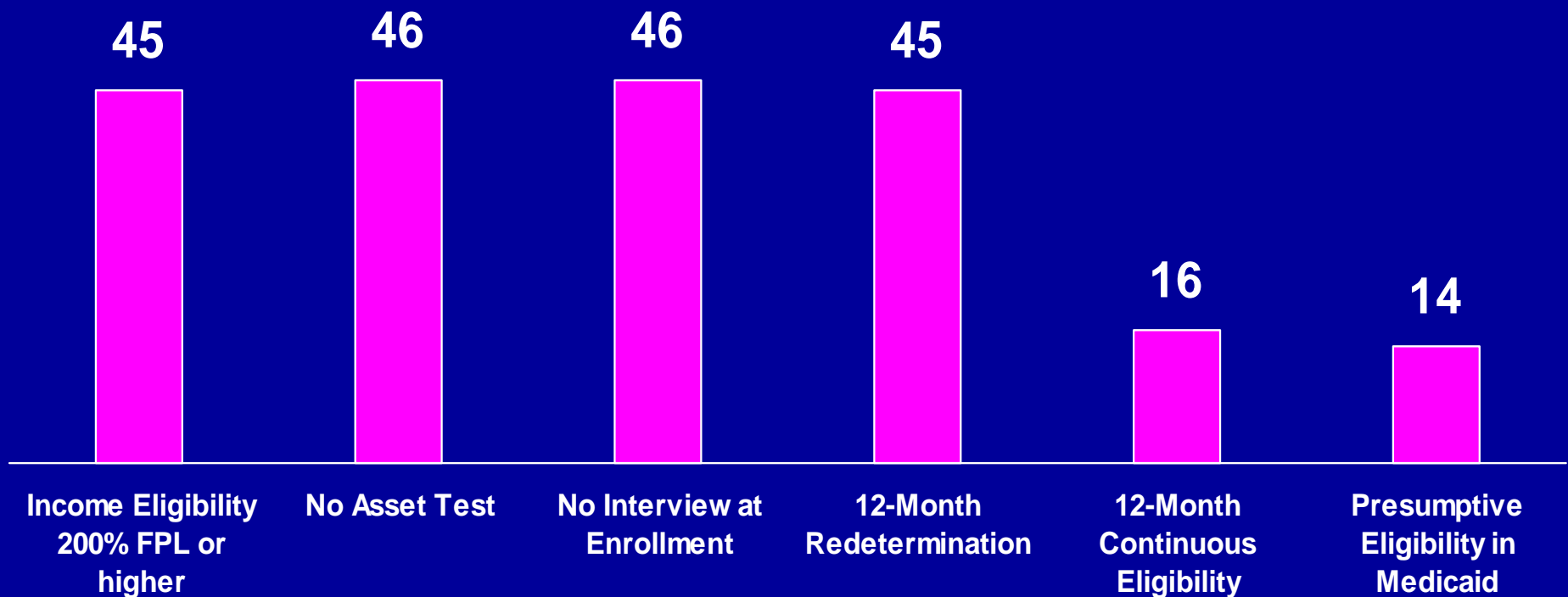
Key Differences Between Medicaid and SCHIP

	Medicaid	SCHIP
Coverage	Required for newborns to age 6 up to 133% FPL and 6-19 at 100% FPL	Above Medicaid levels
Entitlement	To Beneficiaries and States	To States
Financing	Guaranteed Federal Match Regular match rate	Capped Financing Enhanced match rate
Enrollment Caps	Not permitted	Permitted
Matching Rate	Regular Match Rate (57%)	Enhanced Match Rate (70%)
Scope of Coverage	Option to impose benchmark benefits, EPSDT Wrap-Around Coverage	Benchmark Benefits, no mandate for EPSDT
Cost-Sharing and Premiums	Generally, not allowed for mandatory children; premiums allowed >150% FPL	Permitted

Figure 4

States Improve Access to Medicaid and SCHIP

Number of States in 2008



SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2008.

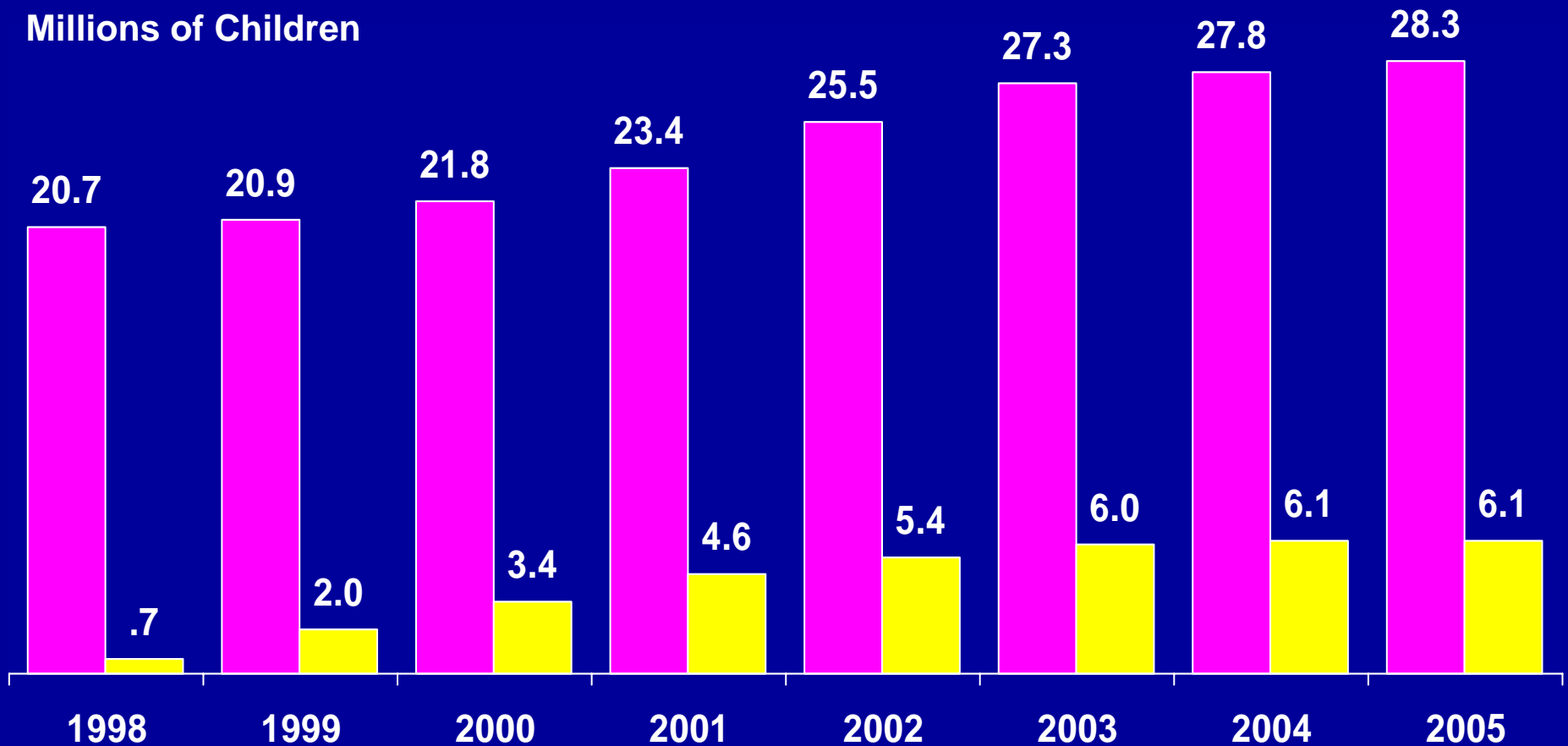
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Figure 5

Coverage of Children Has Grown with Increasing Medicaid and SCHIP Enrollment

■ Medicaid ■ SCHIP

Millions of Children

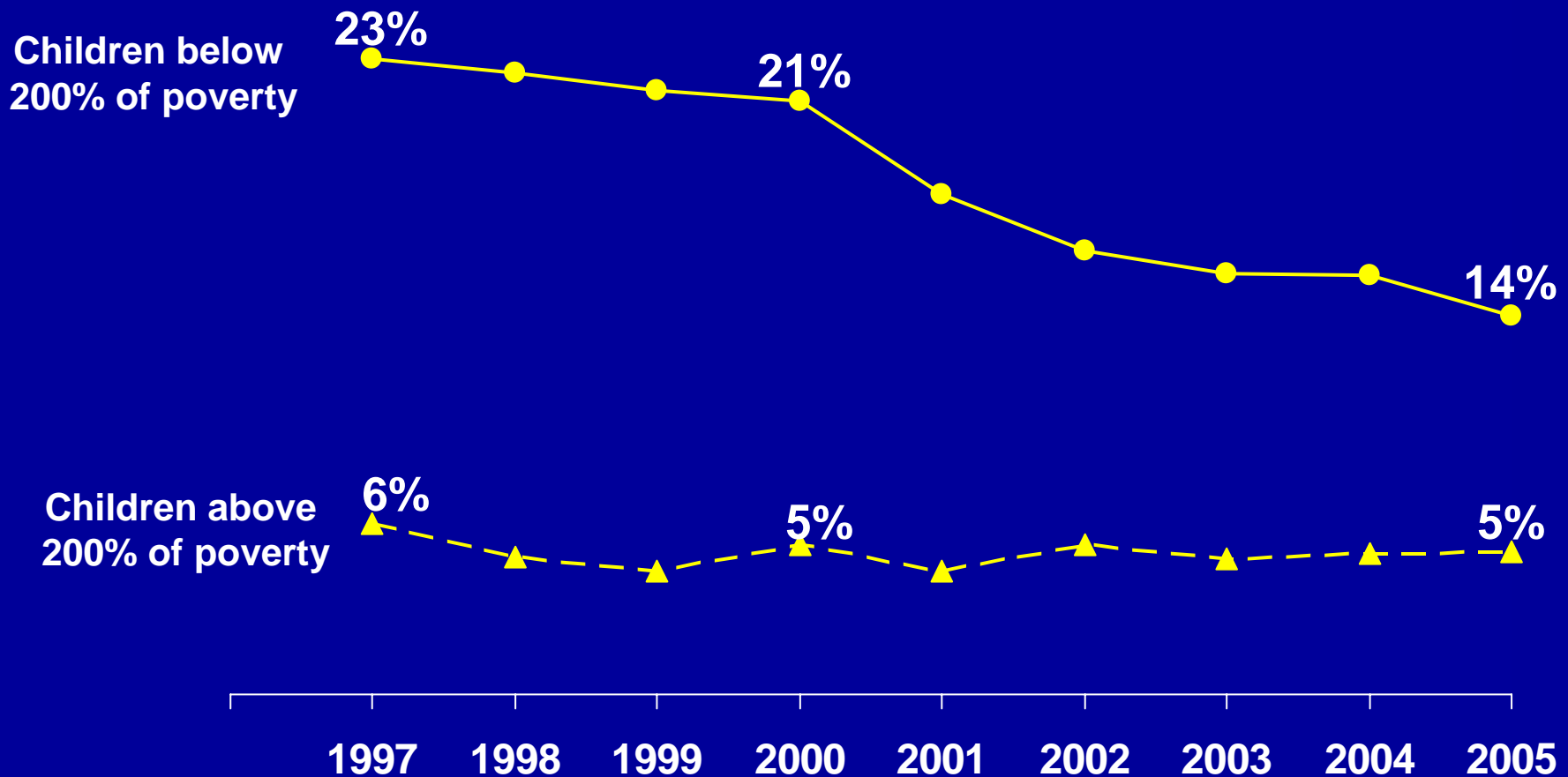


SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of HCFA-2082, MSIS, and SEDS data, 2007.

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Figure 6

Percentage of Children Without Health Insurance, By Poverty Level, 1997-2005



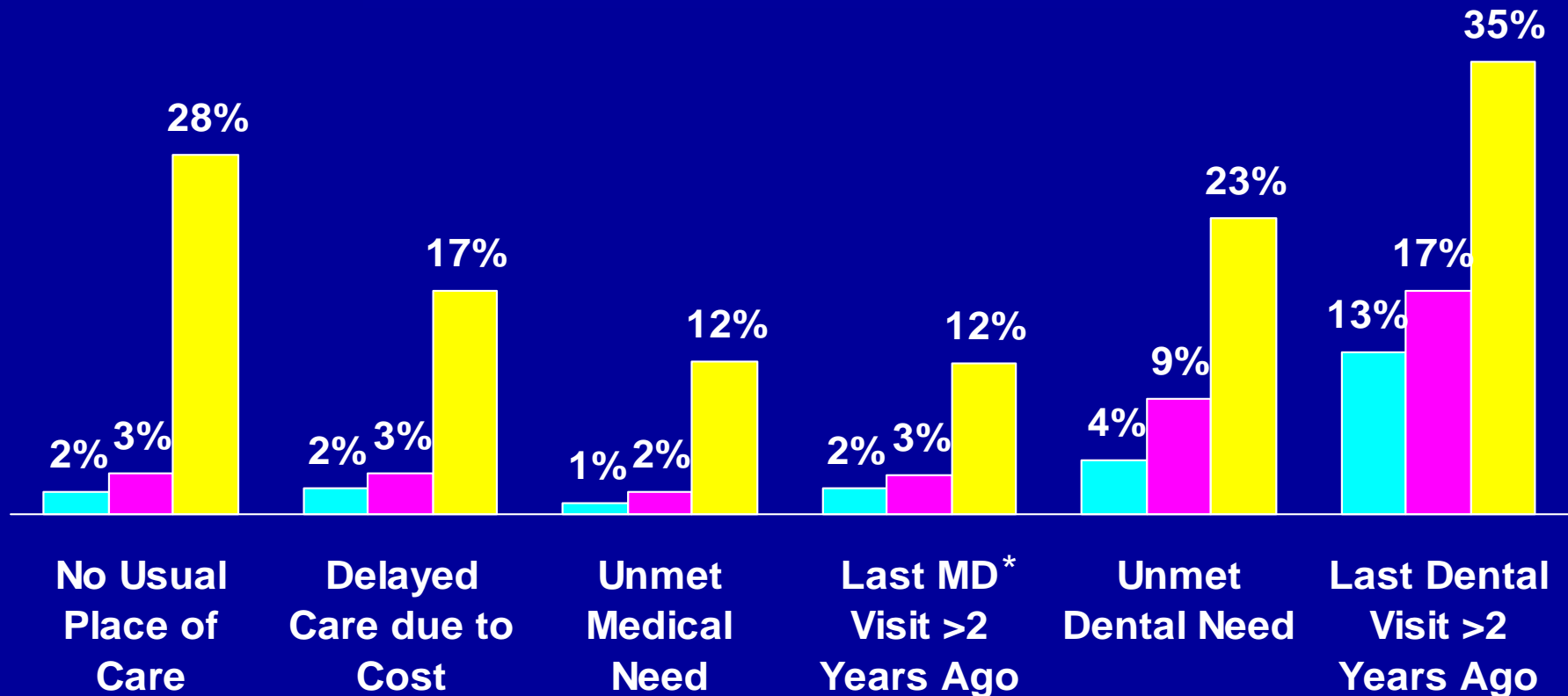
SOURCE: L. Ku, "Medicaid: Improving Health, Saving Lives," Center on Budget and Policy Priorities analysis of National Health Interview Survey data, August 2005.

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Figure 7

Health Coverage Promotes Improved Access to Care for Children

■ Private ■ Medicaid/Public ■ Uninsured



* MD or any health care professional, including time spent in a hospital. All estimates are age-adjusted.

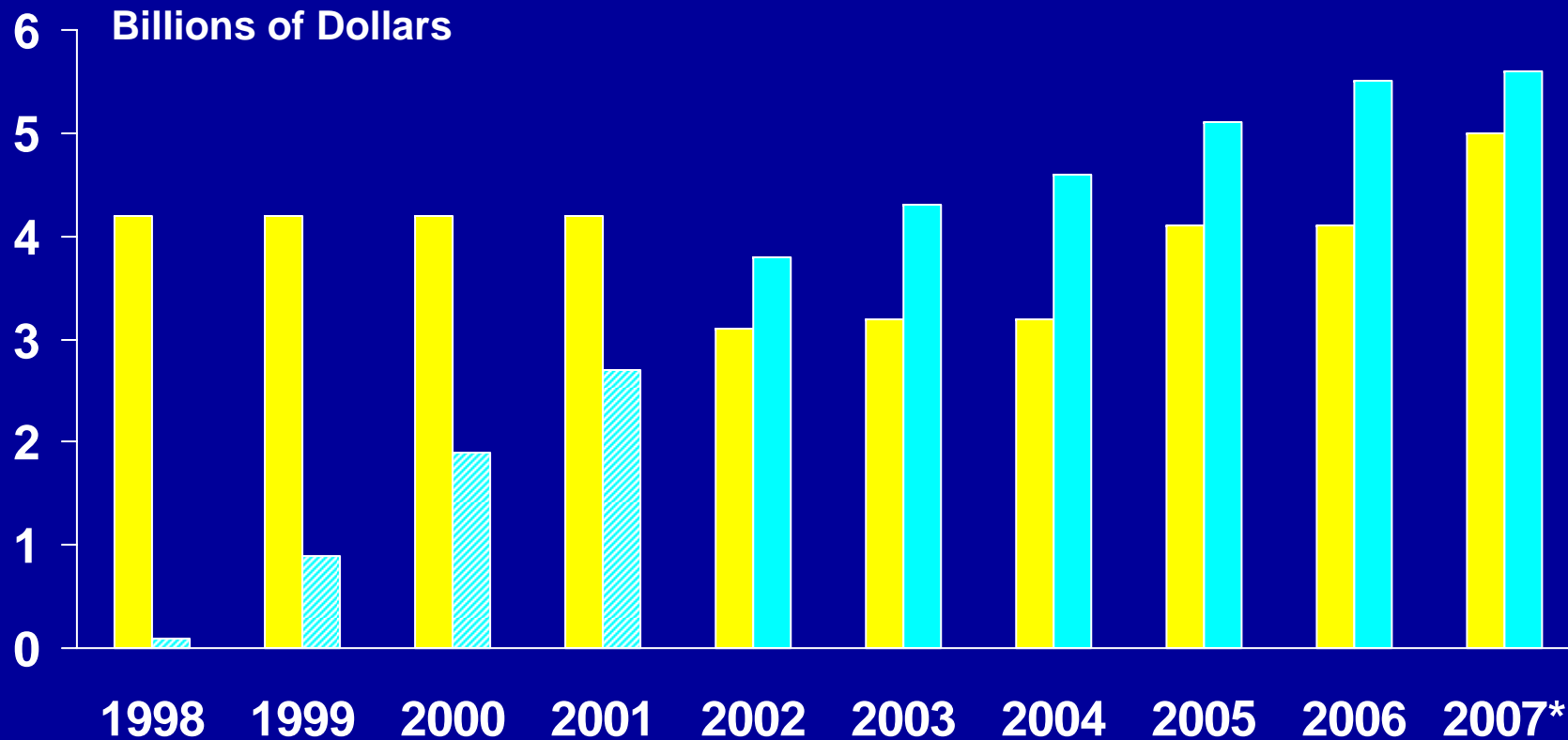
SOURCE: National Center for Health Statistics, CDC. 2006. Summary of Health Statistics for U.S. Children: National Health Interview Survey, 2005.

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Figure 8

Spending for SCHIP first outpaced SCHIP allotments in 2002

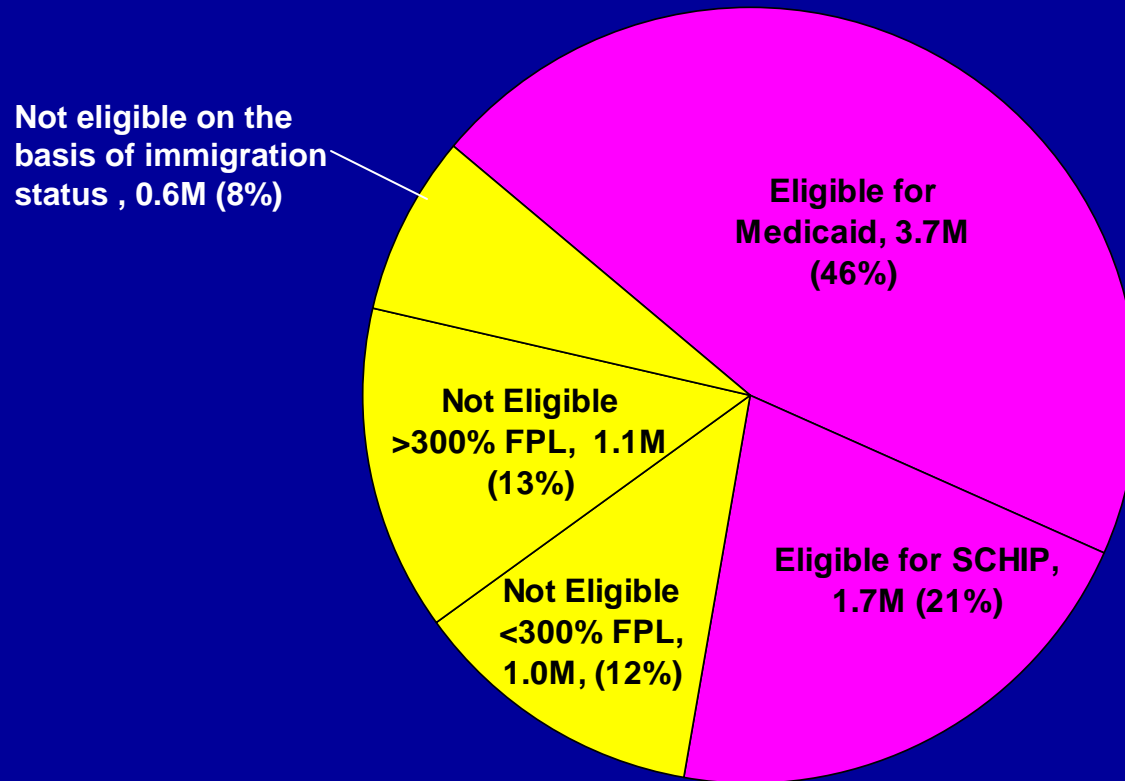
■ Annual SCHIP Allotment ■ Federal SCHIP Spending



SOURCE: "SCHIP Original Allotments: Funding Formula Issues and Options", October 2006. Congressional Research Service. 2006 and 2007 data from the President's FY 2008 Budget submission. *2007 Projected

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Figure 9
Distribution of Uninsured Children, 2004
(in millions)



8 Million Uninsured

SOURCE: Urban Institute analysis of the 2005 Annual and Social Economic Supplements to the CPS for KCMU. Data has been adjusted for the Medicaid undercount.

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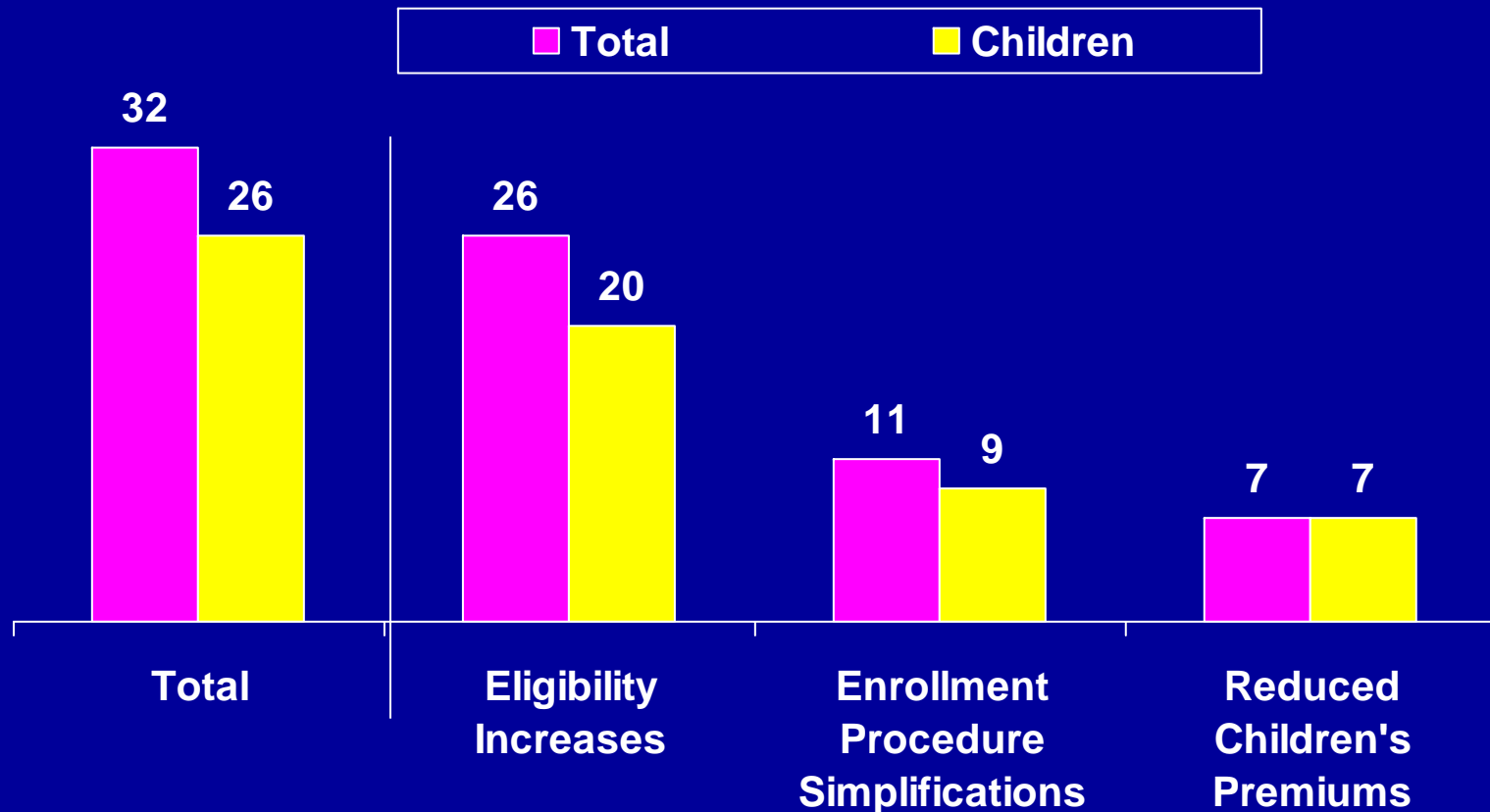
Figure 10

Low-Income Parents Value Health Coverage for their Children

- Health coverage for their children a top priority
- Without access to affordable job-based coverage for their children
- Positive views of Medicaid and SCHIP but misconceptions about who is eligible, particularly with regard to income
- Need simple enrollment and renewal for Medicaid/SCHIP; burdensome procedures pose barriers to coverage
- Covering both parents and children helps facilitates enrollment and well-being of children

Figure 11

States Actions to Expand Access to Medicaid / SCHIP, July 06 – January 08



SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2008.

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Figure 12

Distribution of the Increase in Uninsured Children, by Income, 2005-2006



710,000 Uninsured Children

Note: 200% of the Federal Poverty Level (FPL) for a family of three is \$33,200 in 2006.

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SOURCE: KCMU/Urban Institute analysis of the March 2007 CPS.

Figure 13

The Long and Winding Road.....

- **President's FY 2008 Budget**
 - Increase SCHIP allotments by \$5 billion over baseline 2008-2012
- **Budget Resolution (Spring 2007)**
 - “Up to” \$50 Billion for children's coverage
- **House and Senate Reauthorization Bills (Summer 2007):**
 - House: covers 5 million uninsured kids, \$50 billion, Medicare
 - Senate: covers 4 million uninsured kids, \$35 billion, no Medicare
- **August 17 Directive from CMS**
 - Limits kids coverage beyond 250%: Requires 95% participation of kids < 200%; imposes one-year waiting period before eligible
 - Affects 23 states (10 coverage > 250%; 14 authorized coverage > 250%)
- **CHIPRA Bills: HR 976 and HR 3963 (Fall 2007)**
 - Covers 4 million uninsured kids; \$35 billion over 5 years
 - Both vetoed by the President; House failed to override
- **S 2499**
 - Extends SCHIP through March 2009
 - Adds \$1.6 billion in 2008 to maintain current coverage



HE SAVED ME FROM A BURNING HOUSE.

SHE SAVED ME FROM DROPPING OUT OF SCHOOL.

HE SAVED ME FROM THE HORROR OF HEALTH CARE INSURANCE!

Sigal © 2007

Figure 15

Areas of Contention

President opposed ideologically...

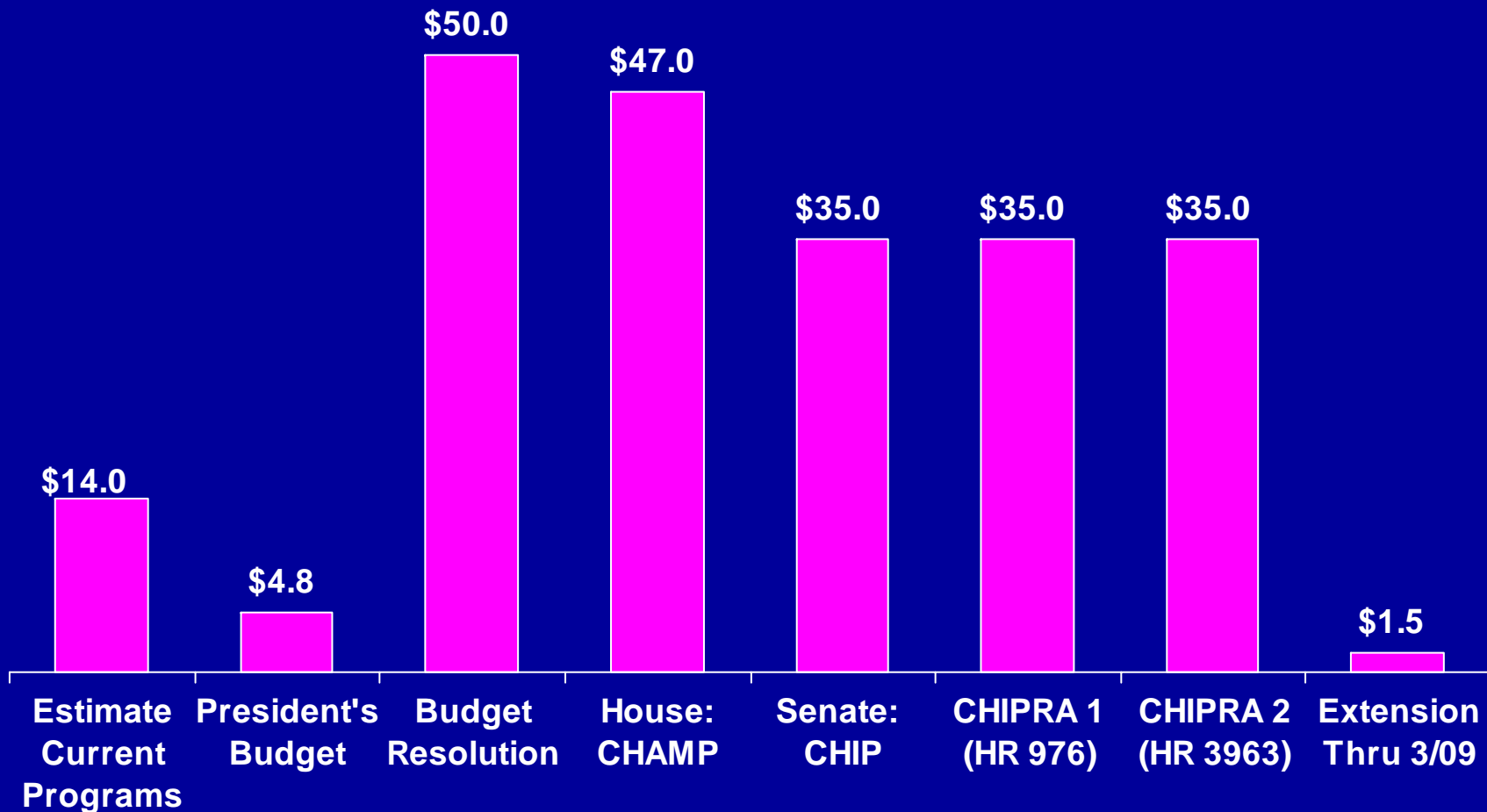
“moves the health care system in the wrong direction”

- SCHIP coverage of higher income children and crowd-out
- SCHIP coverage of adults
- Exclusion of undocumented children
- Funding levels and financing

Figure 16

5 Year Financing for SCHIP Reauthorization Efforts Beyond \$25 Billion Baseline

Dollars in Billions

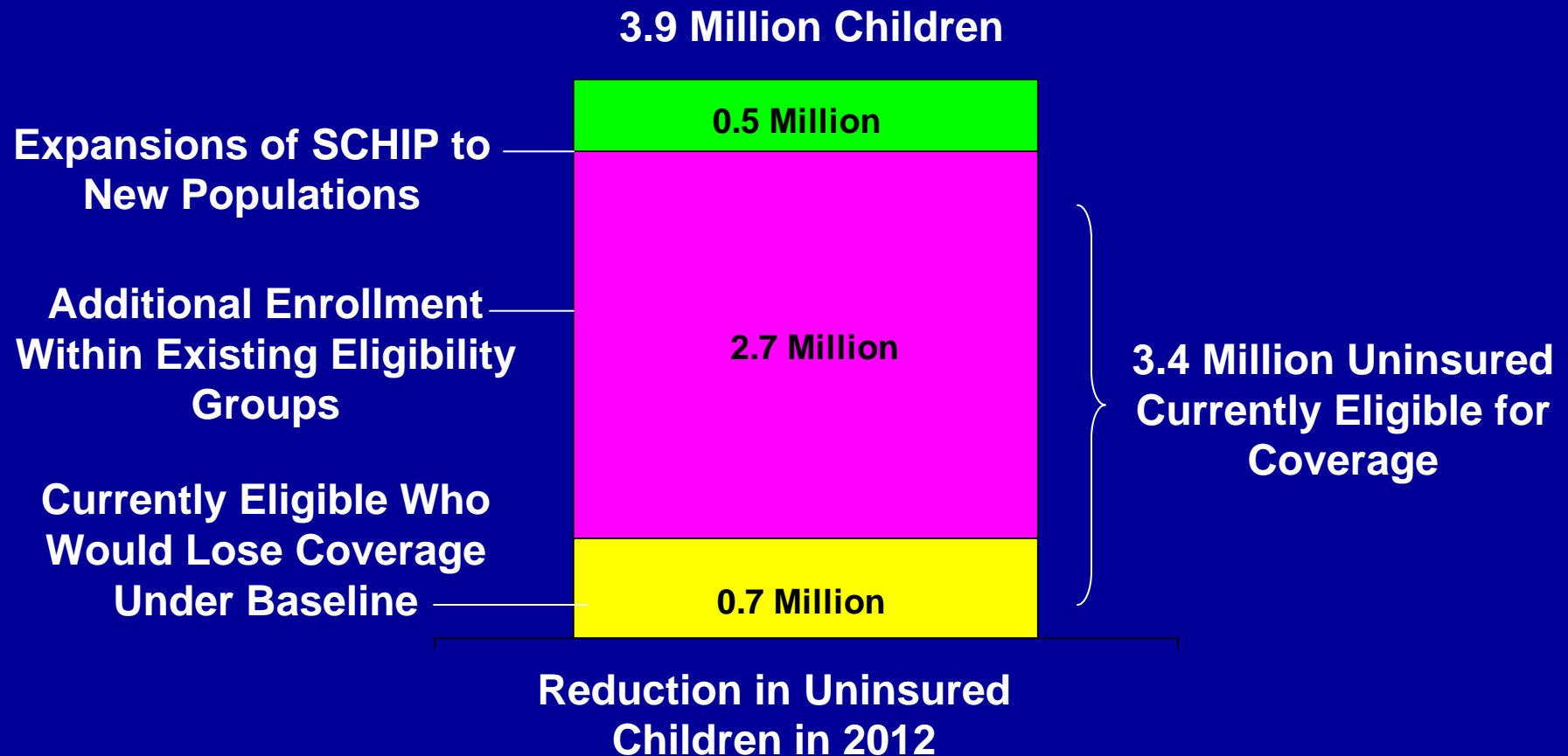


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SOURCE: CBO Estimates

Figure 17

Reduction in Uninsured Children in the Children's Health Insurance Program Reauthorization Act of 2007 (H.R. 3963)



SOURCE: CBO Estimate of Changes in SCHIP and Medicaid Enrollment of Children Under HR 976, CHIPRA. October 24, 2007

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Figure 19

Outlook

- Failure to reauthorize SCHIP leaves states with fewer federal resources to support additional coverage of children
- States face additional federal hurdles for expanding coverage
 - August 17th Directive--23 states affected (10 already expanded above 250% FPL and 14 with authorized expansion—WA in both categories)
 - Citizenship Documentation--Implementation continues to cause problems for citizens applying for coverage
 - New Medicaid Regulations
- Economic Downturn is placing greater pressure on state budgets--25 states deficits for 2009
- Congress will need to address SCHIP in early 2009