

# SCHIP: The Debate

---



# SCHIP: The Debate

---

Cindy Mann  
Georgetown University Health Policy Institute  
Center for Children and Families  
Washington, D.C.

[crm32@georgetown.edu](mailto:crm32@georgetown.edu)

[www.ccfgeorgetown.org](http://www.ccfgeorgetown.org)

Health Policy Seminar  
Washington DC  
April 14, 2008

# Achievements

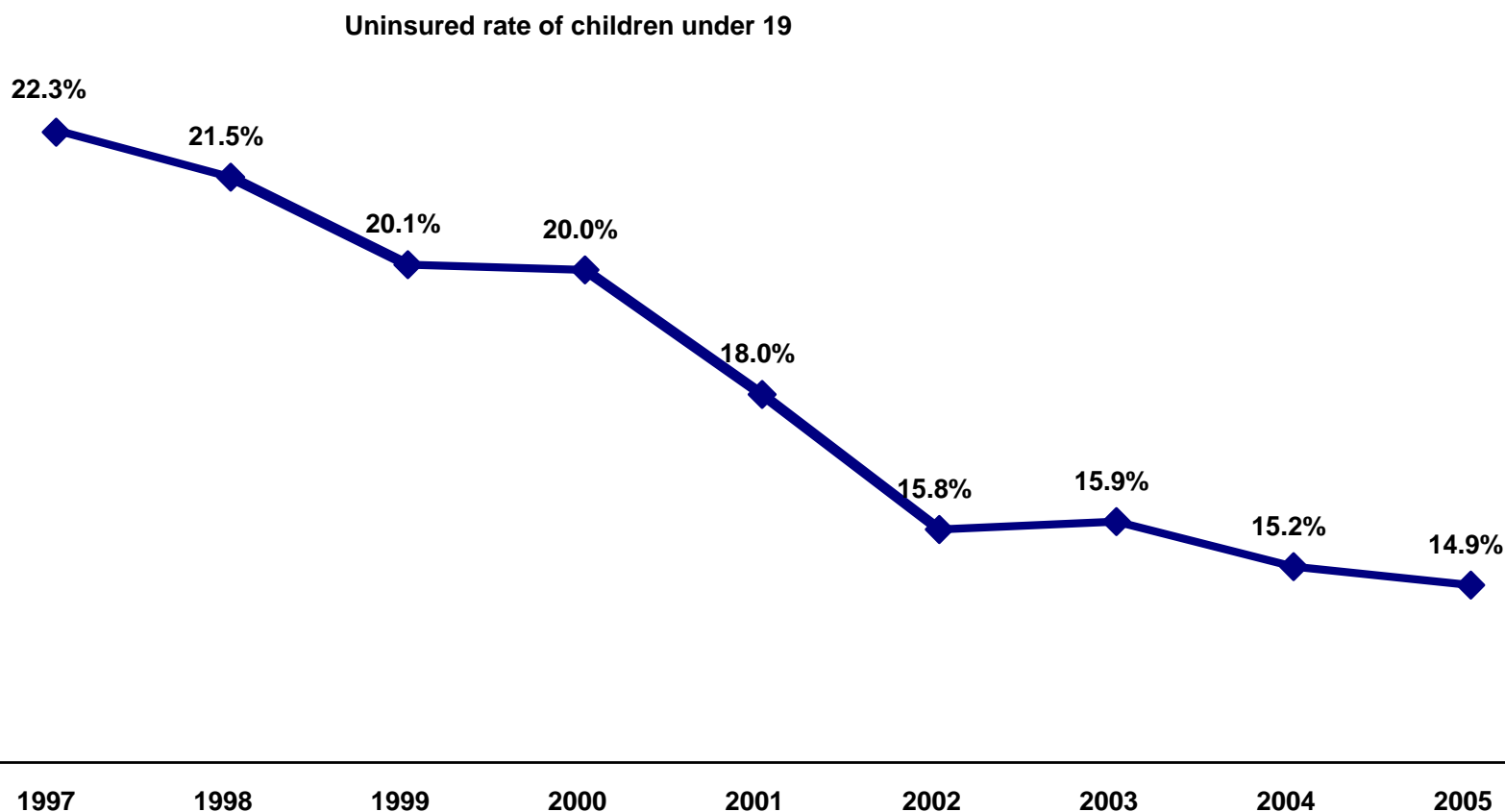
---

- Sharp decline in uninsured rate among low-income children
- Coverage has let children secure the care they need
- Cost effective



# Trends in the Uninsured Rate of Low-Income Children, 1997 - 2005

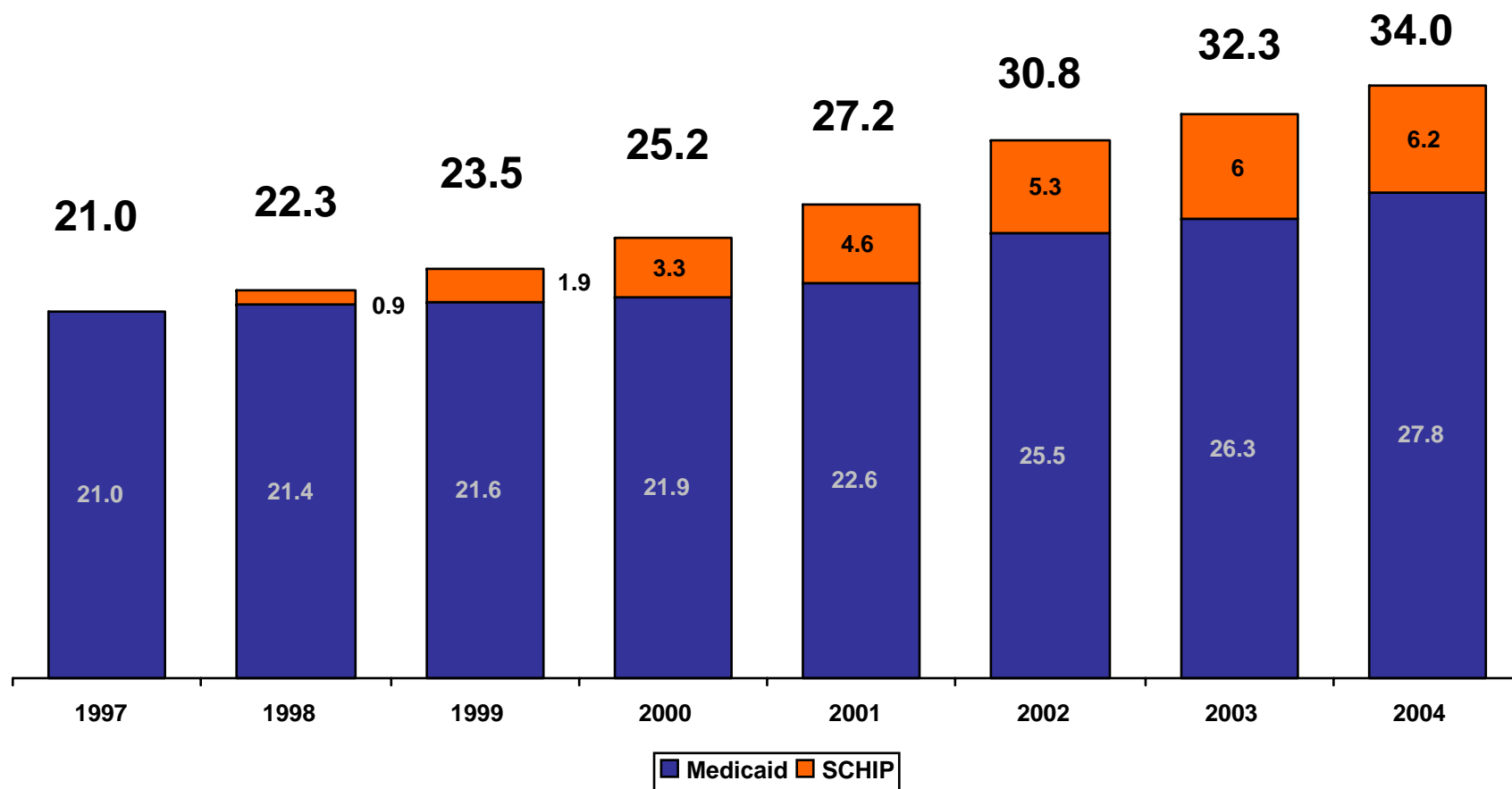
---



Source: Georgetown CCF analysis based on data from the National Health Interview Survey, November 2006. Beginning in 2004, the NHIS changed its methodology for counting the uninsured. This results in the data for 2004 and later years not being directly comparable to the data for 1997 – 2003.

# Coverage Gains Over the Past Decade Have Come Equally from Medicaid & SCHIP

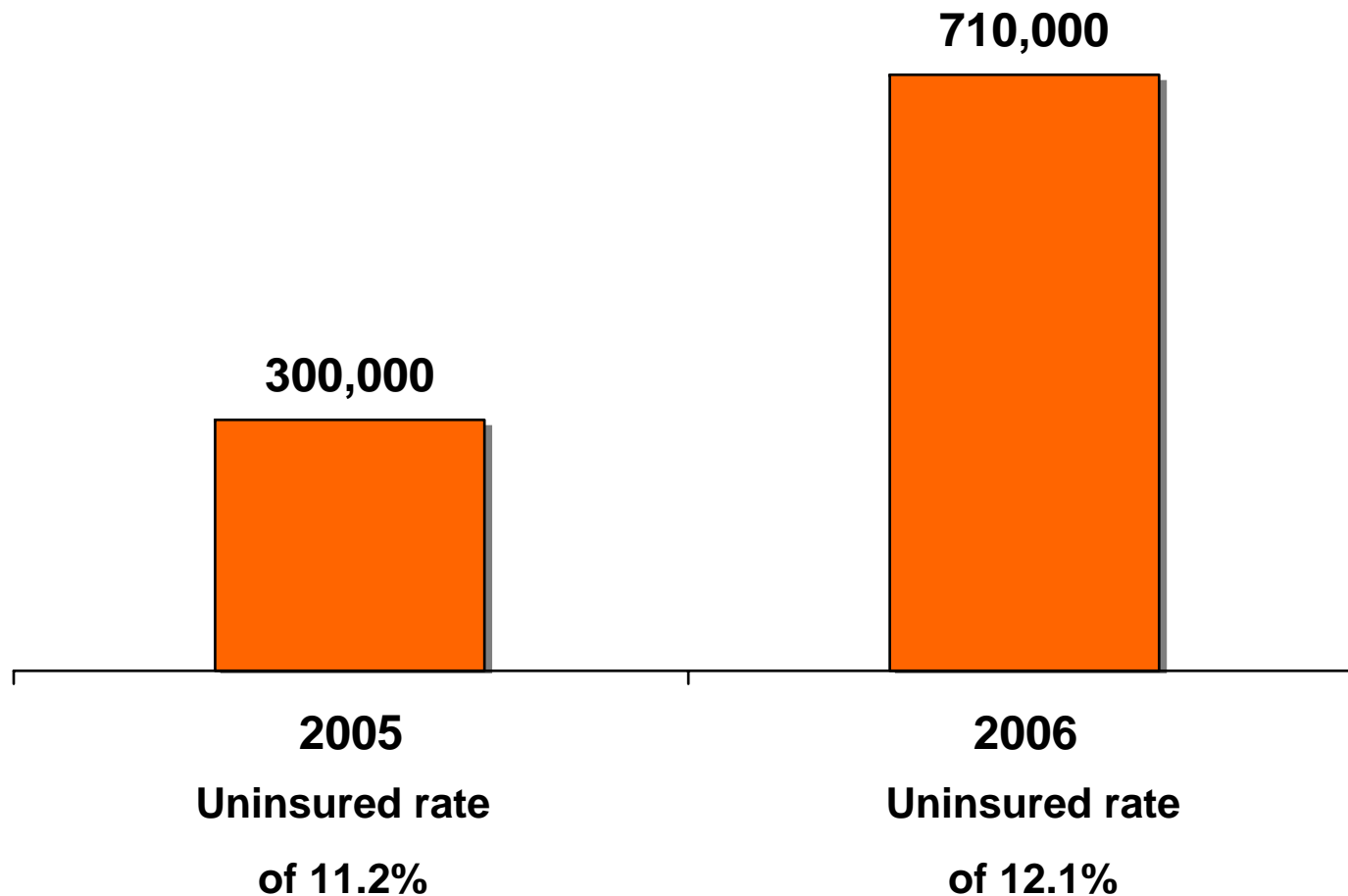
Enrollment of Children in Public Coverage (Millions)



Source: CCF, Preliminary data. Based on children ever-enrolled over the course of a year.

# Second Consecutive Year of Rising Number of Uninsured Children

---



Source: Kaiser Commission for Medicaid and the Uninsured



# Americans Support Covering Children

---

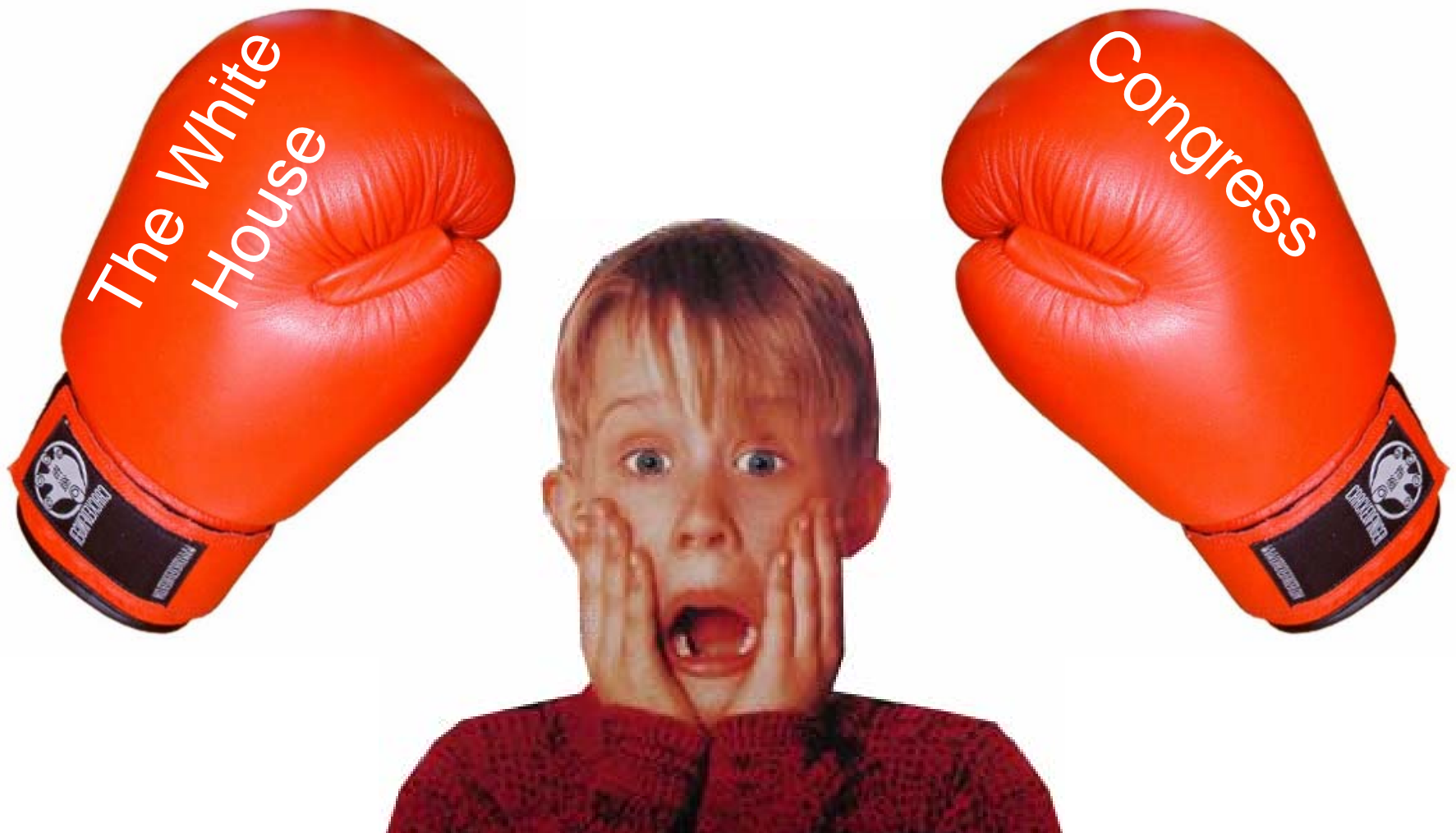
91%

July 23, 2007

Source: Poll conducted by Lake Research Partners and American Viewpoint, national survey of 1,002 American voters from June 26 - July 1, 2007 for the Center for Children and Families

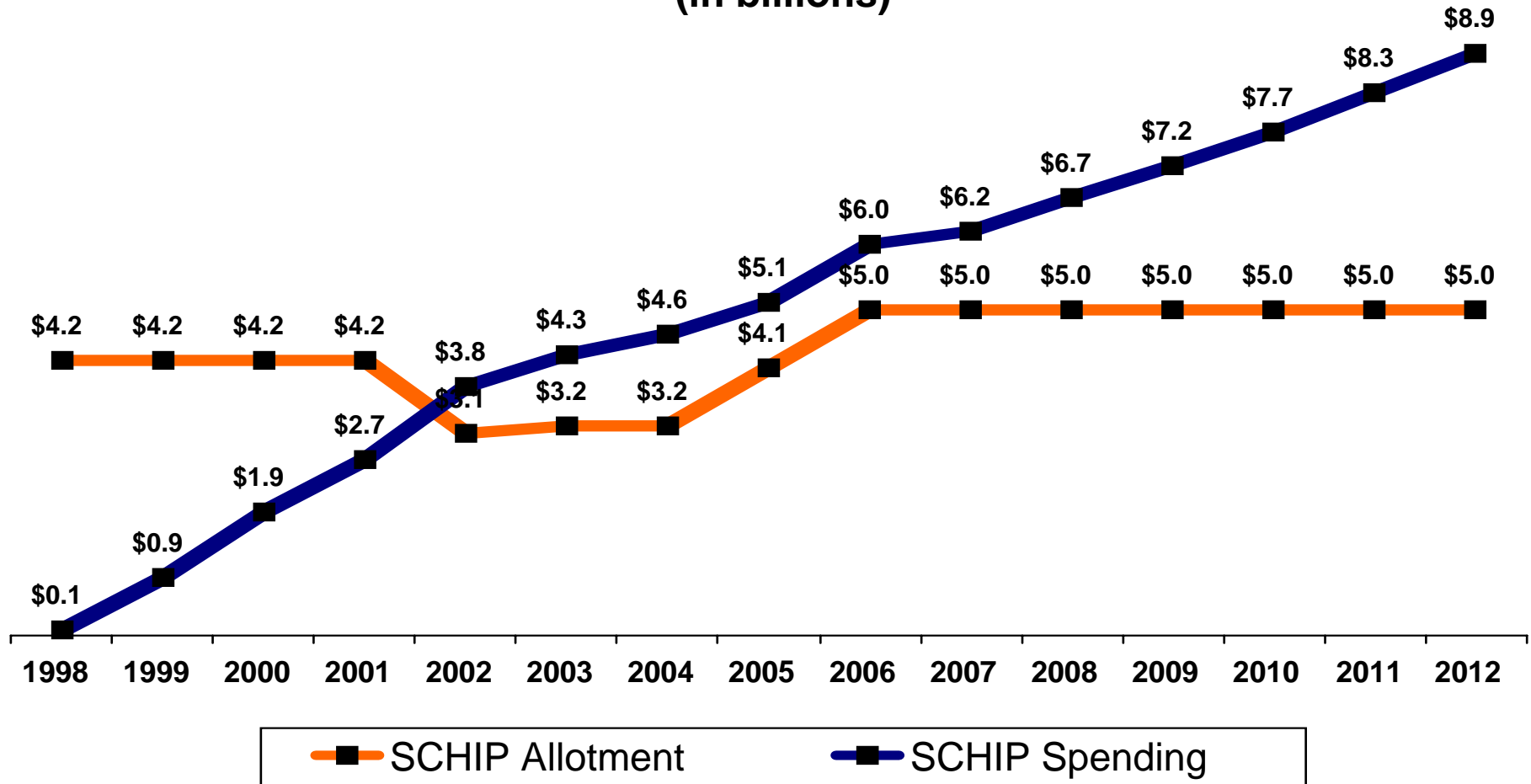
# But A Showdown Nonetheless

---



# SCHIP Spending Was Outpacing New Funds Being Made Available

(in billions)

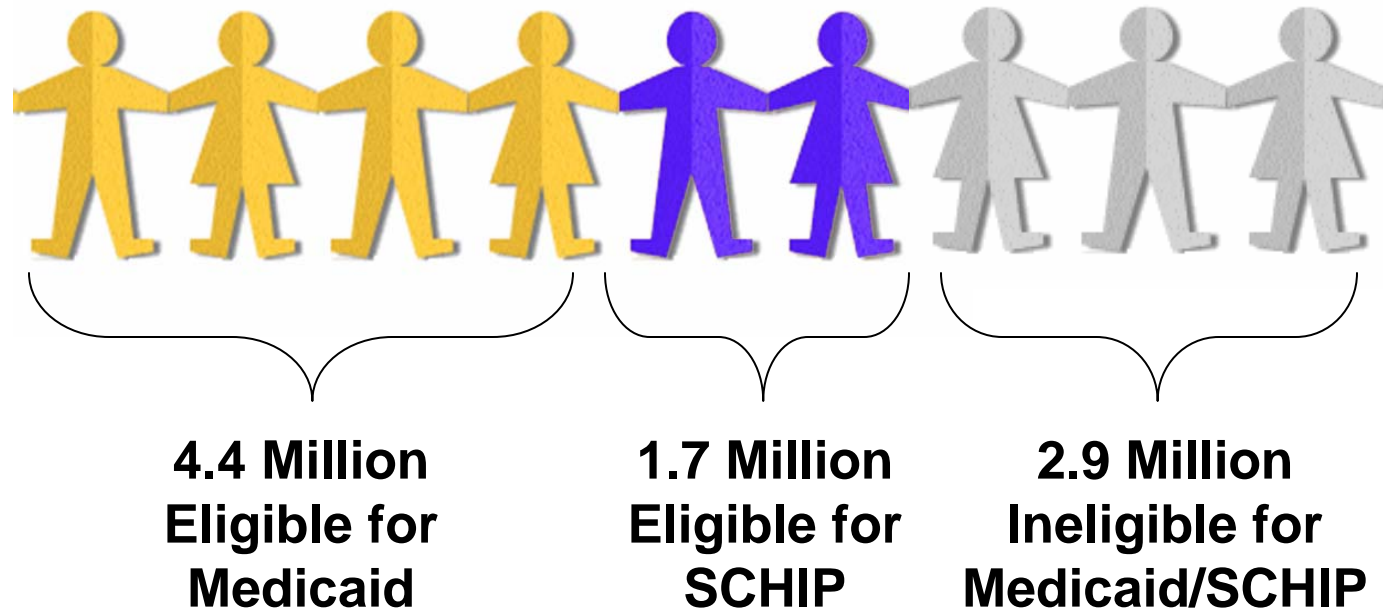


Source: 1998-2007 data from Chris Peterson. *SCHIP Original Allotments: Funding Formula Issues and Options*. Congressional Research Service (October 2006); 2008-2012 data from Center on Budget and Policy Priorities' SCHIP financing model (Nov. 2006).

# Beyond SCHIP Funding Levels: Policies Needed to Reach Uninsured Children

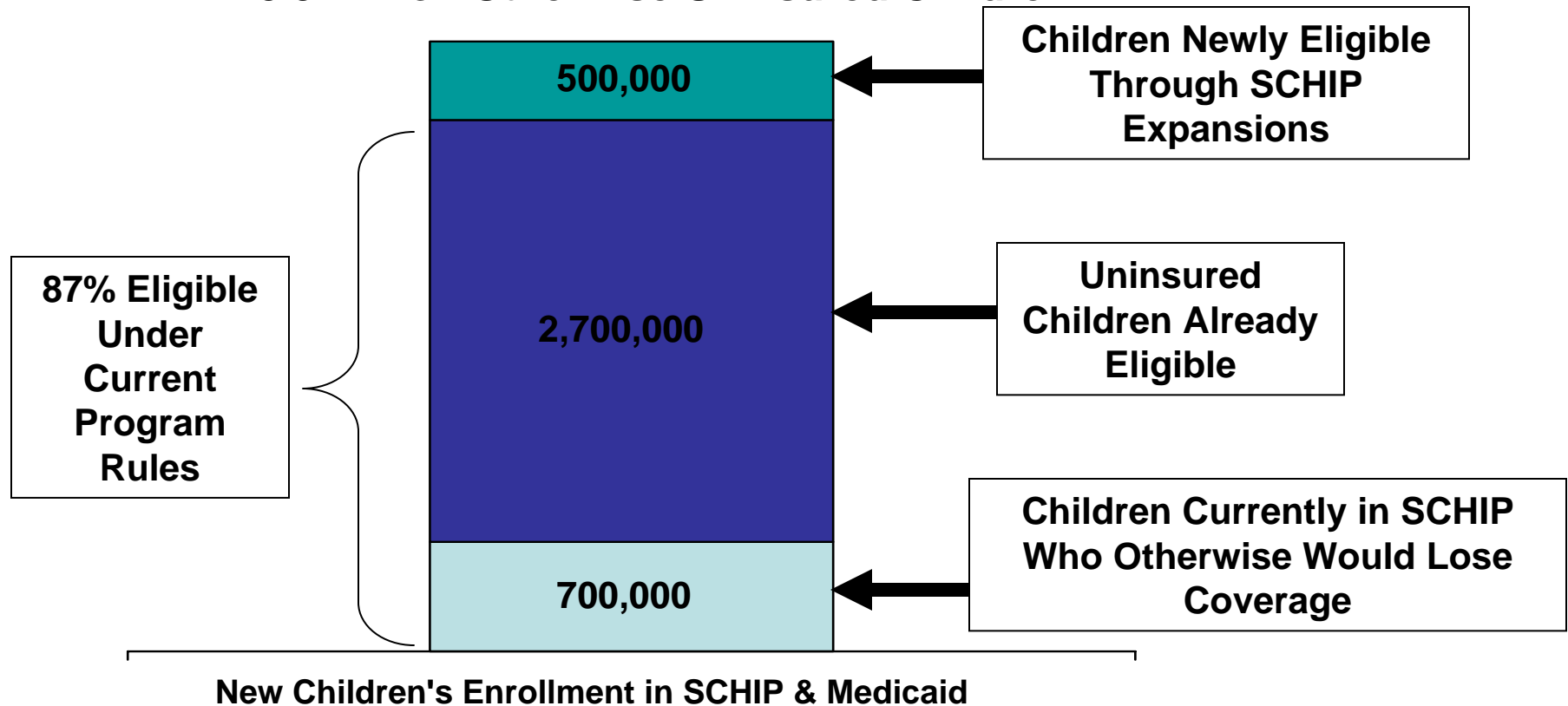
---

**Most of the 9 Million Uninsured Children Are  
Already Eligible for Medicaid or SCHIP**



# “CHIPRA 2” Was Projected to Cover Nearly 4 Million Otherwise Uninsured Children

3.9 Million Otherwise Uninsured Children



Note: Average monthly enrollment for fiscal year 2012; SCHIP & Medicaid would cover 5.8 million children when reductions in other coverage are included; numbers may not sum due to rounding.

Source: Congressional Budget Office estimate of changes in SCHIP and Medicaid enrollment of children under the Children’s Health Insurance Program Reauthorization Act of 2007 (October 24, 2007).

# What Were the Issues Raised by Opponents?

---

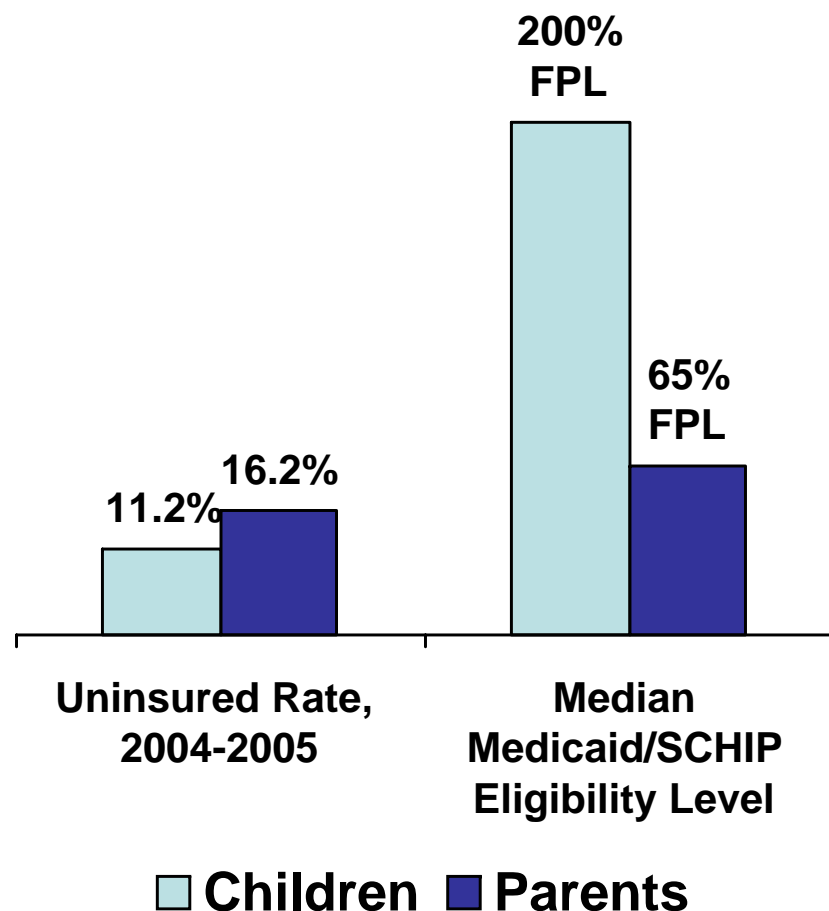
- Coverage of undocumented children
- Coverage of parents/adults
- Coverage of children with income over 200% of FPL
  - Crowd out
  - Public versus private

“I emphasize private insurance, the best health care plan -- the best health care policy is one that emphasizes private health. In other words, the opposite of that would be government control of health care.”

- President George W. Bush (June 27, 2007)

# Coverage of Parents

---



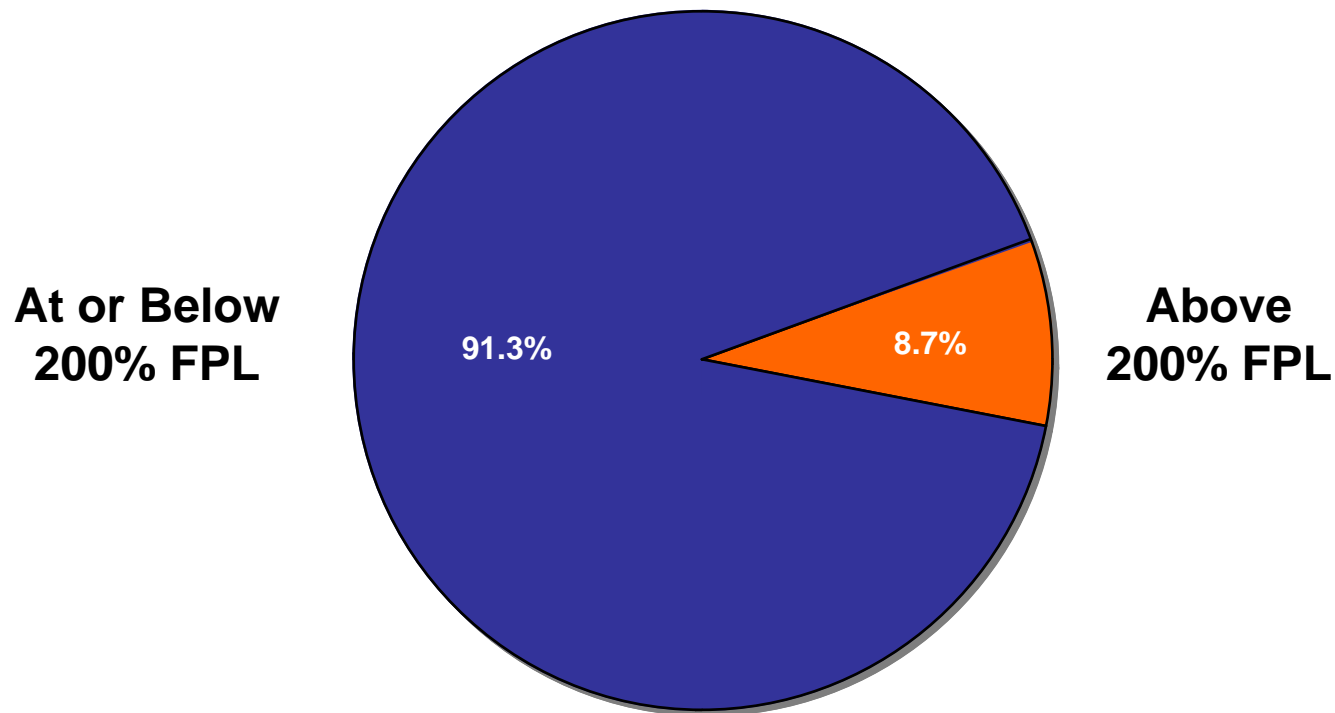
- 11 states covered parents in SCHIP through waivers
- In 2006, about 500,000 parents were enrolled in SCHIP

Source: From the Kaiser Commission on Medicaid and the Uninsured: "Health Insurance Coverage in America: 2005 Data Update," (May 2007); D. Cohen Ross, L. Cox, & C. Marks, "Resuming the Path to Health Coverage for Children and Parents," (January 2007); and S. Artiga & C. Mann, "Family Coverage Under SCHIP Waivers," (May 2007).

# Most Children Covered by SCHIP Have Family Incomes Below 200% FPL

---

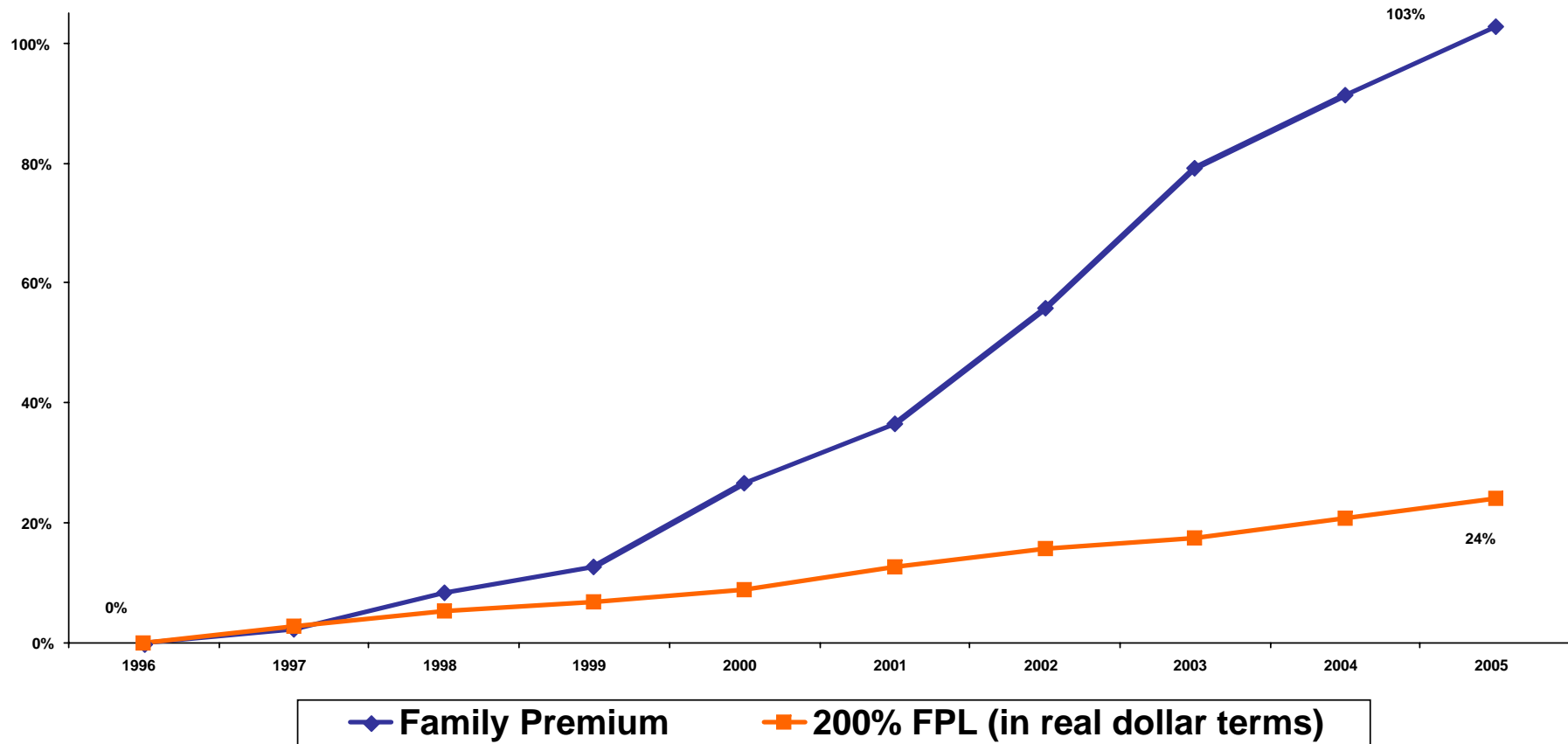
6.7 million children enrolled in SCHIP, 2006



Note: The reporting classification of a child with family income above 200% FPL who is determined to be eligible at or below 200% FPL due to deductions or disregards (i.e., a net income test) is up to the discretion of the state and constrained by their reporting systems.

Source: CCF analysis using enrollment data from C. Peterson & E. Herz, *Estimates of SCHIP Child Enrollees Up to 200% of Poverty, Above 200% of Poverty, and of SCHIP Adult Enrollees*, Congressional Research Service (March 13, 2007).

# The Growing Affordability Gap Between 200% FPL and the Cost of Private Coverage

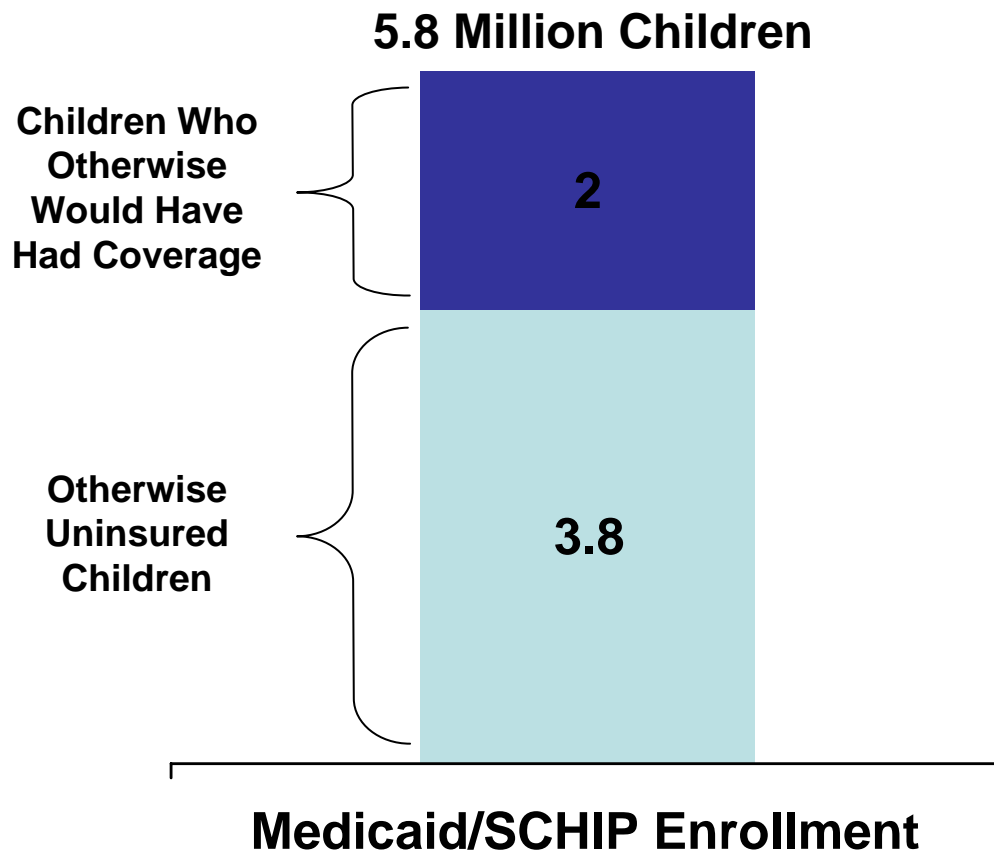


Note: This data represents the cumulative growth in employee premium contributions for employer-sponsored family coverage and the federal poverty level for a family of three, compared to the cumulative growth in the federal poverty level adjusted each year by the federal government.

Source: Agency for Healthcare Research and Quality estimates of 1996-2005 Medical Expenditure Panel Survey Insurance Component Tables, generated using MEPSnet/IC (August 21, 2007); and CCF analysis of 1996-2005 Federal Poverty Guidelines.

# Focus on Low-Income Uninsured Children Limits “Crowd Out”

## CHIPRA



*“I think (the Senate Finance Committee) approach is pretty much as efficient as you can possibly get per new dollar spent to get a reduction of roughly 4 million uninsured children.”*

Peter Orszag,  
CBO Director  
(July 19, 2007)

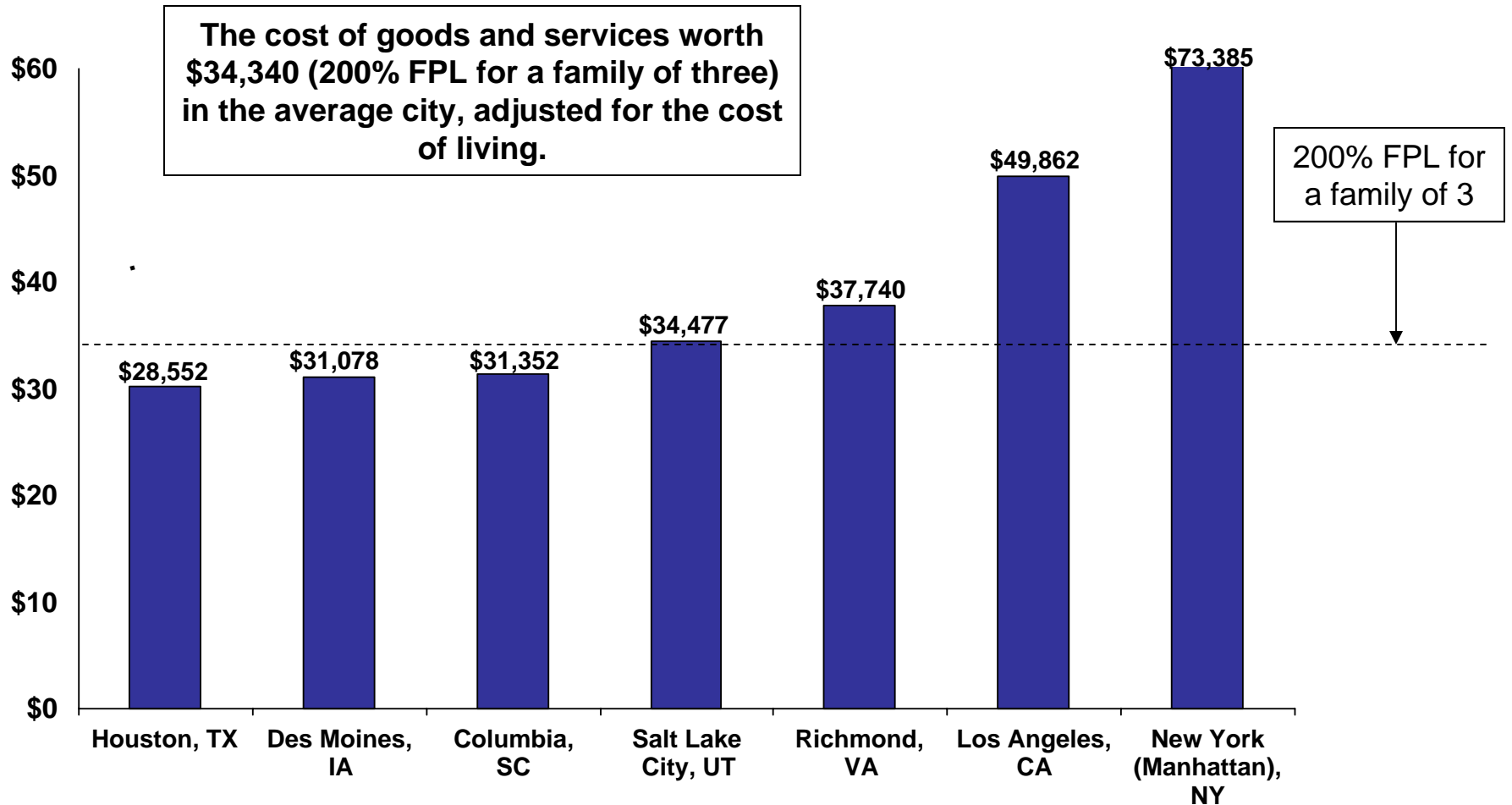
Source: CBO Estimate of Changes in SCHIP and Medicaid in Enrollment of Children under CHIPRA 2007 (September 25, 2007).

**Where are we now?**

---



# The Cost of Living Varies Widely Across the United States



Note: In 2007, 200% of the federal poverty level for a family of three was \$34,340 annually.

Source: Center for Children and Families analysis of ACCRA cost of living index for the first quarter of 2007.

# Growth in the Uninsured Driven by Low & Moderate-Income Children

---

Of the 710,000 Newly Uninsured Children in 2006:

**21% have incomes  
at or above 400%  
FPL**



**47% have incomes  
from 200% to 399%  
FPL**

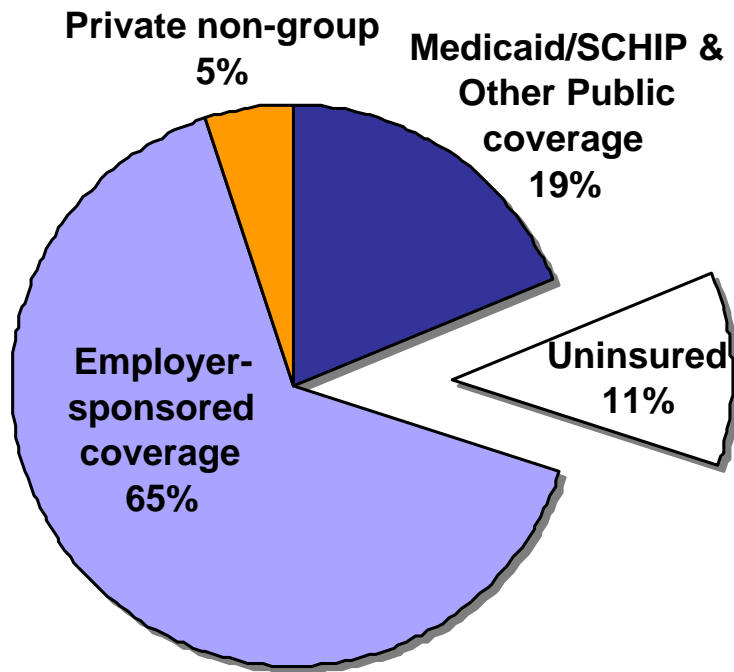


**31% have incomes  
below 200% FPL**



Source: Urban Institute tabulations of 2006 and 2007 Annual Social and Economic Supplement to the Current Population Survey from J. Holahan & A. Cook, "What Happened to the Insurance Coverage of Children and Adults in 2006?," Kaiser Commission on Medicaid and the Uninsured (September 2007).

# Uninsured Children in Moderate-Income Families, 2006



**13.3 million moderate-income children under 19**

**Compared to privately-insured children, uninsured children are more likely to have:**

- Lower total family income
- Parents who earn low wages
- Parents who work for small firms
- Parents who work in a blue collar job or an industry with low ESI coverage rates

Note: Moderate-income is defined as 200-299% FPL.

Source: K. Schwartz & G. Claxton, "Uninsured Moderate-Income Children: The Impact of Parent Employment on Access to Employer Coverage," Kaiser Commission on Medicaid and the Uninsured, (January 2008).

# Did The SCHIP Debate Foreshadow the Debate to come?

---

“This is a bipartisan compromise. It has broad support from Republicans and Democrats. It will help as many as 4 million low-income uninsured children.... It puts the lowest income children first in line..... Here's what it's not: It's not a government takeover of the health system. It does not undermine immigration policy. It's not expanding the program to cover high income kids.”

— **Senator Charles Grassley (R-Iowa) on the Senate Floor, 9/27/07**

