

State Children's Health Insurance Program (SCHIP)

NCJW MESSAGE: To meet critical needs and renew our nation's moral commitment that every one deserves to live in dignity, the 110th Congress must establish a path in the budget to fully fund domestic programs serving people in need by 2012. An important first step would be reauthorizing the State Children's Health Insurance Program (SCHIP) with \$60 billion in new federal funds over the next five years. No child should go without health insurance. Reauthorization gives us a new opportunity to move toward the widely shared goal of ensuring that all children have health insurance coverage.

TALKING POINTS:

- ▶ **For Fiscal Year 2008, Congress must provide \$450 billion for domestic discretionary spending.** Unmet needs are growing – 250,000 child care slots have been lost since 2000, 130,000 housing rental vouchers have been lost since 2004, Food Stamp benefits average only \$1 per individual for a meal, and at least 14 states are facing shortfalls in 2007 in SCHIP. Congress must reverse this trend by making a strong fiscal commitment to address the real state of human needs in the US.
- ▶ **Today, 8.3 million children in the US lack health insurance.** Of the 8.3 million uninsured children, approximately 6 million children – nearly 75 percent – are eligible for Medicaid and SCHIP but are not enrolled.
- ▶ **Children without health insurance coverage are at greater risk of experiencing significant health and developmental problems.** Without health insurance, many families cannot afford to ensure that their children see a doctor regularly for check-ups and preventive treatment care. Regular health care that includes preventive care limits the costs associated with and care for serious medical problems down the line.
- ▶ **Children who have access to regular health care are healthier and do better in school than those who do not.** Investing in health care for children is an investment in our nation's future leaders, workers, and citizens.
- ▶ **SCHIP is a highly effective program that has – in partnership with Medicaid – reduced the number of uninsured children by 30 percent since 1998,** providing high quality, comprehensive, affordable health coverage to more than 4 million children who would otherwise be uninsured.
- ▶ **Congress should give states new options to simplify and automate enrollment and the funding to help pay for enrolling more eligible children.**
- ▶ **Congress should allow states to use SCHIP to cover the uninsured in their states.** In fact, states should have more flexibility to expand coverage to more children. This includes state options to cover pregnant women through SCHIP as well as to provide coverage to immigrant children and pregnant women.
- ▶ **The Congressional Research Service estimates that 14 states will exhaust all of their SCHIP funds in 2007 and will have a shortfall totaling \$745 million this year.** A reauthorization at \$60 billion includes funding to ensure that no child who is enrolled in SCHIP today – and who continues to be eligible – will lose coverage because of a shortfall in federal funds.

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Frequently Asked Questions:

Why does the budget need a \$450 billion boost for domestic programs? \$450 billion in overall non-military, non-homeland security discretionary spending in FY 2008 would produce a significant expansion of services beyond FY 2005 levels, adjusted for inflation and population growth, as a down payment towards fully funding by 2012 those domestic programs serving people in need, with special emphasis on labor, health, education, social services, nutrition, and housing.

What is SCHIP? In 1997, Congress enacted the State Children's Health Insurance Program (SCHIP) to increase health insurance coverage for low-income children. The SCHIP program gave states \$40 billion over 10 years to provide health coverage for children who live in families that earned too much to qualify for Medicaid but not enough to afford private health insurance.

How is SCHIP funded? SCHIP is a federal-state partnership in which the federal government pays a significant share of the costs. However, SCHIP is a block grant, meaning that the federal government has set aside a finite amount of money for the program, and it is possible to use up all the federal SCHIP money.

Who qualifies for SCHIP? States can determine eligibility but most states provide coverage for children with family incomes up to two times the federal poverty level. A few states have set higher limits and a few have lower limits. Further, legal immigrants are barred from Medicaid and the State Children's Health Insurance Program (SCHIP) for the first five years that they live in the US.

Why should states have the flexibility to provide coverage to immigrant children? The uninsured rate for noncitizen children is triple that of children whose parents are native-born or have become naturalized citizens. Overall, one in four uninsured children, or 2.8 million, lives in a noncitizen family. This lack of insurance for children in immigrant families means that these children are less likely to receive timely care for acute conditions, less likely to have their chronic conditions diagnosed and appropriately managed, and less likely to receive preventive care.

Are all SCHIP-eligible children enrolled in the program? No. Approximately two-thirds of the 8.3 million uninsured children in the US today are currently eligible for either SCHIP or Medicaid but are not yet enrolled in the program.

How does SCHIP improve children's health and well-being? SCHIP is vital to improving children's health care. Children who have access to regular health care are healthier and do better in school than those who don't. SCHIP bridges the gap between Medicaid and private insurance, offering uninsured children in near-poor and moderate income families affordable health coverage.

How can Congress afford to fund SCHIP? This Congress faces difficult spending decisions across the board. There are many vital programs and services fighting for the same small piece of the federal budget. As such, it is essential that Members of Congress make children's health care a priority this year. A strong, well-funded reauthorization of SCHIP can reduce the number of uninsured children by 70 percent. There is no better investment than to invest in the health and well-being of America's children.