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## **CHILDREN'S HEALTH INSURANCE PROGRAM WINS BIG IN SENATE, FINANCE LEADERS LOOK TO FIGHT WHITE HOUSE VETO**

*Overwhelming bipartisan support for agreement by Baucus, Grassley, Rockefeller, Hatch*

*Washington, DC* – By a vote of 68-31, the full Senate has approved a bipartisan plan to renew and improve the Children's Health Insurance Program (CHIP) this year. CHIP provides health coverage to low-income, uninsured American children whose parents do not qualify for Medicaid, but cannot afford private health insurance. U.S. Senators Max Baucus (D-Mont.), Chuck Grassley (R-Iowa), Jay Rockefeller (D-W.Va.), and Orrin Hatch (R-Utah) crafted the \$35 billion agreement to maintain coverage for all 6.6 million children covered by CHIP today, and will bring dependable health coverage to an additional 3.2 million uninsured American children in working families in the next five years. The Senate needs to negotiate final legislation with the House of Representatives before the Children's Health Insurance Program expires on September 30. Today, Senators reiterated that the President should not veto this children's health bill.

**"Millions of American children have hope for a healthier future tonight, thanks to the compassion and cooperation the Senate has shown. Senators know that CHIP works to get health coverage to uninsured kids in America's working families, and in the end few could deny that low-income kids deserve this chance to stay healthy,"** said Baucus. **"I would hope that the broad bipartisan support for this agreement will cause the President to rethink his veto threat, so that more uninsured kids can realize the promise of the Children's Health Insurance Program. I fully expect to work with the House on a strong renewal of the Children's Health Insurance Program that will be as widely supported as the Senate bill is tonight."**

**"This legislation insists that CHIP return to its core mission, and that is to provide health care coverage to low-income uninsured children,"** Grassley said. **"Too many states have gotten waivers and opened enrollment to adults, draining resources from the neediest and most vulnerable children in communities nationwide. Thanks to a bipartisan compromise that we reached by working together over a long period of time, we've achieved Senate passage of a proposal to turn CHIP to its original intent and help more low-income kids receive regular check-ups and lead healthier lives."**

**"There's no better way to mark the 10th anniversary of CHIP than by giving millions new children a better start in life,"** Rockefeller said. **"Keeping children healthy speaks to our deepest humanity. The President is now faced with a choice: join with us in our efforts to provide children with health insurance or veto this legislation and take away the security of millions of families."**

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**“The Senate today put the emphasis of CHIP back on low-income children. We’re one step closer to continuing one of the government’s most effective programs that has helped millions of children receive the care they desperately need,”** said Hatch. **“We spend nearly \$2 trillion on our nation’s health care system each year. This bill funds CHIP at \$60 billion over five years – a fraction of the cost. Covering these children is worth every cent.”**

The bill sharpens CHIP’s focus on children’s coverage, and targets the lowest-income eligible children for outreach and enrollment. Key elements of the legislation are:

- \$35 billion above the baseline of \$25 billion in funding over five years will preserve coverage for 6.6 million children enrolled at this time – including those who would have lost CHIP coverage without this investment – and reach an estimated 3.2 million additional uninsured, low-income American children
- State allotment formula improved to reflect actual projected spending
- Contingency fund to address unforeseen emergencies
- Funding for outreach and enrollment efforts, including targeted efforts to find and enroll Native American children and to reduce racial and ethnic disparities of health coverage
- Coverage above 300% of Federal poverty level will receive regular Medicaid match rate
- Improved premium assistance policies
- States have an additional option to cover pregnant women as a state option, as well as maintaining the options to cover them through a state waiver or through regulation
- Childless adults currently enrolled in CHIP will be transitioned off the program
- Funds for existing coverage of low-income parents will transition into a separate block grant at a lower Federal matching rate
- New waivers for additional adult coverage will not be permitted
- \$200 million in grants will strengthen and improve access to dental coverage for children
- States providing mental health services will be required to provide services on par with medical and surgical benefits offered under CHIP
- A demonstration project will allow as many as ten states to use information from food stamp programs and other initiatives for low-income families to find and enroll eligible children
- States have the option of documenting an applicant’s citizenship at application or following up by confirming through the applicant’s Social Security number
- Improved pediatric quality measures for CHIP and Medicaid

This investment in the Children’s Health Insurance Program is paid for with a 61-cent increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

No amendments were approved by roll call vote in the Senate debate. Changes approved by voice vote included further improvements in dental coverage, clarification of states’ option to implement premium assistance waivers, a reduction in the proposed cap on large cigar taxes to a maximum of \$3 per item, and Sense of the Senate amendments to address health coverage issues for America’s small businesses.

Passage of the bill was immediately lauded by HELP Committee Chairman Ted Kennedy (D-Mass.), one of the driving forces behind CHIP at its creation in 1997.

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**“Today we put children front and center on the national agenda by reauthorizing CHIP. Four million more children will get the healthy start in life that they deserve and millions of parents will have peace of mind that they can take their children to the doctor when they’re sick,”** said Kennedy. **“Quality health care for children is a promise we made ten years ago, and we renewed that promise today. I look forward to working with the House to make sure this bill is enacted. I strongly urge the Administration to listen to the American people and to Congress and put partisan politics aside for the sake of the nation’s children.”**

Baucus and Grassley are Chairman and Ranking Republican Member of the Senate Finance Committee. Rockefeller and Hatch are the Chairman and Ranking Republican Member of the Finance Subcommittee on Health Care.

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