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Contact: Carol Guthrie  
(202) 224-4515

**BAUCUS APPLAUDS SUCCESS OF CHILDREN'S HEALTH  
INSURANCE PROGRAM,  
BLASTS CHANGES TO REPORT RELEASED LATE TODAY**

*Researchers give glowing report of success of Children's Health Insurance Program,  
originally called "crowd-out" of private coverage "not an issue,"  
but edited version of report released to public emphasizes Administration slant*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded new evidence that the Children's Health Insurance Program is fulfilling its mission to help low-income, uninsured American children, but blasted the Centers for Medicare and Medicaid Services (CMS) for apparent manipulation of part of the new report on CHIP. A CHIP status report by Mathematica Policy Research, Inc., was finally delivered to Baucus and Finance Committee Ranking Republican Chuck Grassley (R-Iowa) today after the Senators demanded its release along with the January final draft originally provided to CMS by Mathematica researchers. While the original final draft of the report said the substitution of private health coverage with CHIP coverage, or "crowd-out," was "not an issue," the final report with CMS-requested edits eliminates that phrase and instead emphasizes the fact that some "crowd-out" does occur. The charge that many or most children in CHIP could have available private coverage has been a major argument of the Administration and opponents of the Children's Health Insurance Program.

**"This report shows that CHIP has worked overwhelmingly well to get low-income, uninsured American kids the doctor's visits and medicines that they need. It's proof that plans to reach more low-income children through CHIP are the right way to go,"** said Baucus. **"But CMS can't just rewrite some facts to suit its fancy. Mathematica researchers apparently determined months ago that crowd-out has been so minor and so well-managed that it really isn't an issue in the administration of CHIP. But it seems like CMS didn't want the full success of the Children's Health Insurance Program known – not to the Congress rewriting the CHIP law, and not to the American public. I'm troubled by the fact that this is not the first time we've seen skewed information coming from the Department of Health and Human Services regarding the Children's Health Insurance Program. From artificially lowering the number of children eligible for this much-needed health coverage in June, to obscuring and overblowing the crowd-out issue today, the Administration's own agenda is clearly at work."**

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The heading of the “crowd-out” section of Mathematica’s original executive summary read as follows:

**“The evidence suggests that substitution of SCHIP for private coverage (crowd out) was not an issue. This was because states screened for other insurance coverage during the eligibility determination process, and implemented mechanisms (such as waiting periods, premiums, and benefit limits) to discourage families from dropping other coverage.”**

The same executive summary section in the final report released by CMS today read instead:

Most states implemented strategies to discourage families from voluntarily dropping private coverage by screening for other coverage during the eligibility determination process, and by utilizing such mechanisms as waiting periods, premiums, and benefit limits. Nevertheless, the evidence suggests that substitution of SCHIP for private coverage (crowd out) does occur, with the magnitude ranging from less than 10 percent to 56 percent, depending on how substitution is defined and measured. Since this study was completed, the Congressional Budget Office estimated the rate of substitution under SCHIP and Medicaid to be approximately 33 percent; Congress and the Administration will be using this crowd-out percentage as they evaluate policies in the reauthorization of SCHIP.

The full report went on to say that **“[t]here is little evidence that families dropped private coverage to enroll in SCHIP. Some families had access to private coverage, but found it unaffordable.”**

The overall findings of the Mathematica report detail widespread fulfillment of CHIP’s mission to help kids in states across the country, stating that millions of uninsured children became insured through CHIP, and that by far the biggest gains in insuring children were made among kids in low-income working families, the very group that CHIP is meant to target. Researchers determined that not only did access to care improve, but children got better care, and children were healthier thanks to CHIP. The immense popularity of the Children’s Health Insurance Program among states was confirmed as well.

Baucus and his colleagues are working this week to finalize a congressional agreement to renew the Children’s Health Insurance Program in a way that reaches millions more low-income, uninsured American children. The White House, citing concerns about crowd-out and the income levels of children being helped by CHIP, has threatened repeatedly to veto CHIP renewal and improvement.

**“When we talk about renewing and improving the Children’s Health Insurance Program, it’s not some arcane policy discussion. We’re talking about real American children with real health issues who need medicines and visits to doctors today,”** said Baucus. **“The current authorization of CHIP expires on September 30, and that’s plenty of time for the Administration to join the Congress in putting kids first, and to support a robust renewal of the Children’s Health Insurance Program.”**

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