



<http://finance.senate.gov>
Press_Office@finance-rep.senate.gov

MEMORANDUM

TO: Reporters and Editors
FR: Jill Kozeny, 202/224-1308
for Senator Grassley
RE: new CBO paper on SCHIP
DA: May 10, 2007

Senator Chuck Grassley, Ranking Member of the Committee on Finance, issued the comment below regarding a paper issued today by the Congressional Budget Office on the State Children's Health Insurance Program, or SCHIP.

The new CBO paper says: "For every 100 children who enroll as a result of SCHIP, there is a corresponding reduction in private coverage of between 25 and 50 children. ... Changes to the program may generate different effects on private coverage ... ; in general, expanding the program to children in higher-income families is likely to generate more of an offsetting reduction in private coverage (and therefore less of a net reduction in uninsurance) than expanding the program to more children in low-income families."

Senator Grassley's comment:

"The main goal of SCHIP reauthorization ought to be increasing the number of low-income kids who are covered by health insurance. This report tells us that Congress needs to make sure that whatever it does, it should actually result in more kids having health insurance, rather than simply shifting children from private to public health insurance. The report also alerts Congress to the risks for all families of any new SCHIP policies that would erode the ability of working parents to access private health care coverage for their families. These factors should keep lawmakers focused on the fundamentals with SCHIP, which are providing health insurance coverage to children in low-income families. If we let other agendas get in the way, then we will miss a real opportunity to improve the health and well-being of financially disadvantaged kids."

The CBO paper was prepared at the request of the Chairman and Ranking Member of the Senate Finance Committee. According to the CBO, the paper summarizes the key features of SCHIP, provides information on historical trends in enrollment and federal spending, summarizes the evidence on the effects of the program on children's insurance coverage, and

discusses key issues that are likely to arise as the Congress considers reauthorization of the program this year.

The paper is available at www.cbo.gov, or by calling 202/226-2809.