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Opening Statement of U.S. Senator Chuck Grassley of Iowa  
Ranking Member of the Committee on Finance  
Mark Up of the Children's Health Insurance Reauthorization Act  
Thursday, July 19, 2007

Mr. Chairman. Thank you for working so hard to make this a bipartisan process. It's taken a lot of work to get where we are today with this legislation. Compromise proposals - by definition - don't please everyone.

But, it's an important that we reauthorize the State Children's Health Insurance Program. Too many children in America don't have health care coverage. This bill will reduce those numbers by 2.7 million. It does so in a way that's cost-effective and uses appropriate targeted policies.

We've learned a lot in the first ten years of this program. Congress originally intended SCHIP to be a small, limited program for children of lower-income working families. Since 1997, SCHIP has expanded to include children in families making over \$62,000 a year, pregnant women, parents, and even childless adults. In addition, many states have experienced severe funding shortfalls. Making the funding formula work better is a top priority for SCHIP reauthorization.

Our bipartisan package makes some very important improvements to bring SCHIP back in line with its core mission.

First, the package focuses SCHIP dollars back on children. This compromise proposal ends the enhanced match for adults in SCHIP. Adding adults to SCHIP should have never been allowed. It was wrong when the Clinton Administration started it. It was wrong when the Bush Administration continued it. Stopping it is the right thing to do. The package presented today ends waivers for parents, but it still allows states covering parents to continue the policy but at a lower federal match. I think we should have ended coverage of all adults in SCHIP. There's no "A" in "SCHIP." But we have a compromise proposal, and it's something I've accepted in negotiation.

Second, we've fixed the funding formula. We've figured out a way to make sure there won't be shortfalls in the future. Our proposal gives states the resources they need to cover kids, and then it creates incentives aimed at encouraging states to cover the poorest of kids.

Third, we've compromised on the total funding for this program. Some say we should spend another \$50 billion. Some want to include a number of expensive new mandates and requirements on states. The cost of the package we've agreed on is \$35 billion, and the cost is fully offset. I don't like the idea of paying for an expansion of an entitlement program with revenues, but this proposal is reasonable and practical.

Some say we should keep spending for reauthorization around \$5 billion. But that's not realistic at all. In fact, it's not enough to keep the program running at all. That level of funding would mean kids would lose coverage. Today, I encourage everyone to take their wants and desires for SCHIP reauthorization and bring them for a visit to a place I'll call reality. You can want a \$50 billion bill. You can want a \$5 billion bill. But if you want to make law, this bipartisan Chairman's Mark represents the best of the possible. It's a good compromise.

Finally, I want to mention the opportunity we're missing here. Sen. Wyden has been championing a more comprehensive approach to cover the uninsured. Many Republican senators want to make changes in the tax code to help cover tens of millions of Americans of all ages instead of the few million kids we do in this legislation. Too many Americans don't have health coverage, and we need to address rising health costs. I agree that we should be doing more, and I want to see Congress consider proposals to reform the tax treatment of health care to increase coverage to tens of millions of Americans.

With SCHIP reauthorization, that's not realistic. There isn't bipartisan support for trying to do more as part of SCHIP. I urged the Administration months ago to work to get bipartisan support if it wanted the President's initiative to be successful. That didn't happen. I looked far and wide, and can't find a single Democratic senator who will support a tax reform alternative on the SCHIP bill. Even though it won't happen with this bill, we still need to work for a broader package to address the more fundamental problems of rising health costs and the uninsured.

Until then, SCHIP is a stop-gap measure. The \$35 billion we are investing in children's health coverage over the next five years is a drop in the bucket. It's one quarter of one percent of the \$14 trillion that will be spent on health care in the United States between now and 2012. This bill doesn't include everything on everyone's wish list. I worked hard for a responsible bipartisan agreement because I want to see a bill pass, and I think we've done a good job. My support of the legislation in the end will depend on the outcome of committee, floor debate, and the conference. I'm not going to be able to support a bill that changes significantly from what we have here with this proposal.

I appreciate very much the leadership that Chairman Baucus has provided. I thank him and Sen. Rockefeller for what they did to reach a bipartisan agreement. I also extend my sincere thanks to Sen. Hatch for being part of this effort. Sen. Hatch was the main sponsor of the bill that created the SCHIP program ten years ago, and his commitment to the ideals and fundamentals of the program is steadfast and the program is better for it. I look forward to a successful mark up and prompt floor consideration of this legislation.