

**STATEMENT OF SENATOR EDWARD M. KENNEDY**  
**FINANCE HEALTH SUBCOMMITTEE HEARING:**  
**"CHIP AT 10: A DECADE OF COVERING CHILDREN"**  
**JULY 25, 2006**

I thank Chairman Hatch and Senator Rockefeller for inviting me to testify this afternoon. Your leadership in creating and sustaining the Children's Health Insurance Program has improved the lives of children across the nation.

Many of the best ideas in public policy are the simplest. CHIP is based on one simple and powerful idea – that the nation's children deserve a healthy start in life.

My own state of Massachusetts has long recognized the importance of this basic idea. In 1993, Massachusetts enacted the Children's Medical Security Plan to bring quality health care coverage to children in low income families not eligible for Medicaid.

That pioneering program owed much to the leadership of John McDonough, and he urged Congress to enact federal legislation to cover the nation's children.

Massachusetts provided the inspiration for another major element of our success ten years ago. In 1994, Massachusetts expanded eligibility for Medicaid, and financed the expansion through a tobacco tax – the same approach we used successfully a few years later for CHIP.

Rhode Island and other states took similar action, to create a nationwide call for action to address the health needs of children.

Congress acted on that call, and the result was CHIP, a program that can make the difference between a child starting life burdened with disease – or a child who is healthy and ready to learn and grow. In every state in the nation and in Puerto Rico, CHIP covers the services that give children the right start in life – well child care, vaccinations, doctor visits, emergency services, and many others.

That’s why every organization representing children, or the health care professionals who serve them, recognizes that preserving and strengthening CHIP is essential to the health of children. The Children’s Defense Fund, the National Partnership for Women and Families, the American Academy of Pediatrics, the March of Dimes, and countless other organizations dedicated to children all strongly support CHIP.

According to the American Academy of Pediatrics, “Enrollment in SCHIP is associated with improved access, continuity, and quality of care, and a reduction in racial/ethnic disparities. As pediatricians, we see what happens when children don’t receive necessary health care services such as immunizations and well-child visits. Their overall health suffers and expensive emergency room visits increase.”

Today, we are here to dedicate ourselves to the job begun ten years ago, and make sure that the lifeline of CHIP is strengthened and extended to more children.

Millions of children eligible for CHIP or Medicaid are not enrolled. Of the over eight million uninsured children, three quarters – or over 6 million -- already are eligible for Medicaid or CHIP. These programs are there to help them, but these children are not getting that help, because their parents are unaware of their eligibility or because there are barriers to enrollment.

We should look at innovative ways of working with our schools, our churches, and state and local governments to make sure that parents know that this health insurance is available for their children.

By improving outreach – and providing the funding needed to make that outreach a success – we can see that CHIP continues its remarkable success in reducing the percentage of children who are uninsured. Over the last decade, employer after employer has dropped coverage – yet, due to CHIP, the percentage of children who are uninsured has actually dropped over this period, from 22.6 percent in 1997 to 13.5 percent today.

To build on this success, Congress needs to renew its commitment to CHIP. The President's budget assumes that CHIP funding will remain at about \$5 billion per year. But with rising health costs, we will need an additional investment of \$12 billion over the five years between 2008 and 2012 just to break even. If we fail to provide that funding, the consequences will be disastrous.

Since its enactment, enrollment in CHIP has steadily increased – but this positive trend will be reversed if Congress does not increase funding for the program over this baseline. Without that additional investment, 1.5 million children will be dropped from the program, according to the CMS Actuary’s own figures.

If funding is not increased, states across the nation will face worsening funding shortfalls, so that by 2012, 36 states will run out of the funds required just to meet current needs.

Our final priority should be not merely to hold on to the gains of the past, but to see that all children have an avenue to health coverage. Families with greater means should pay a fair share of the coverage. But every single parent in America should have the opportunity to meet the health care needs of their children.

I thank you for your time and attention, and I look forward to working with the members of the committee on this important legislation.