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Contacts:

Carol Guthrie  
Erin Shields  
(202) 224-4515

## SENATE ADVANCES CHILDREN'S HEALTH LEGISLATION

*Finance Chairman Baucus led passage of effort to ensure doctors' visits, medicines for low-income kids through Children's Health Insurance Program*

**Washington, DC** – Finance Committee Chairman Max Baucus (D-Mont.) tonight led full Senate passage of legislation renewing and expanding the Children's Health Insurance Program (CHIP) to provide health insurance for children living in families not poor enough for Medicaid, but still unable to afford private health insurance. The \$32.8 billion legislation, which was reported to the Senate by Baucus's Finance panel and passed today by a vote of 66-32, will preserve coverage for as many as 6.7 million children enrolled in the Children's Health Insurance Program and will bring new health coverage to 4.1 million additional low-income, uninsured American children. Both chambers of Congress are working together to pass CHIP legislation and send it to the desk of President Barack Obama, who has promised to sign a Children's Health Insurance Program bill into law.

**"Low-income, uninsured kids all across America have been waiting for Congress to fulfill the promise of the Children's Health Insurance Program for them. CHIP works to get low-income, uninsured kids the doctors' visits and medicines they need to stay healthy, and approval of this bill opens the door of the doctor's office to millions of children who live without proper health care today,"** said Baucus. **"When President Obama signs this bill, the real victory will belong not to politicians, but to kids. The winners today are the kids who need health care."**

In 2007, Baucus, Sen. Chuck Grassley (R-Iowa), Sen. Jay Rockefeller (D-W.Va.), and Sen. Orrin Hatch (R-Utah) wrote and twice led the passage of legislation to renew CHIP and to provide health coverage to as many as 10 million low-income, uninsured American children. However, President George W. Bush twice refused to sign the Children's Health Insurance Program bills. The legislation approved today is nearly identical to the 2007 bills (HR 976 and HR 3963) approved overwhelmingly by the Senate and by the full Congress.

New policy in the Senate CHIP legislation includes a Finance Committee amendment by Senator Rockefeller and Senators Olympia Snowe (R-Maine), Jeff Bingaman (D-N.M.) and John Kerry (D-Mass.) that would give states the option to provide CHIP and Medicaid eligibility to low-income, uninsured, legal immigrant children who have been in the U.S. fewer than five years, and to low-income, uninsured, legal immigrant women who are pregnant and need prenatal care to ensure the birth of a healthy child.

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In addition to the preservation of health coverage for 6.7 million children and new coverage for 4.1 million more, the key elements of this year's Children's Health Insurance Program legislation remain the same as the 2007 bills, including:

- State allotment formula improved to reflect actual projected spending in CHIP
- Funding for outreach and enrollment efforts
- Bonus payments to states for enrolling the lowest-income children in Medicaid
- Contingency fund to protect states from shortfalls in unforeseen emergencies, and to provide bonus funding for enrollment of lowest-income children for health coverage
- Coverage for children in families above 300 percent of Federal poverty level will receive Medicaid match rate, rather than higher CHIP funding
- States can use information from nutrition assistance programs and other initiatives for low-income families to find and enroll eligible children
- Improved premium assistance policies
- Options to cover pregnant women for the prenatal care vital to healthy newborn children
- Funds for existing coverage of low-income parents will transition to lower Federal matching rate
- Childless adults will be moved out of CHIP
- A prohibition on additional adult coverage in CHIP
- Improved pediatric quality measures for CHIP and Medicaid

Specific changes from 2007 CHIP legislation include:

- Funding of \$32.8 billion above the baseline, changed from \$35 billion in 2007 to reflect budgetary changes.
- Reauthorization for a period of four and a half years (through September 2013) rather than five years as proposed in 2007. This will harmonize CHIP authorization with the Federal fiscal year.
- Changes to bonus structure, making the larger of two levels of bonus payments (15 percent and 62.5 percent) available to states once Medicaid enrollment levels reach 10 percent above target, rather than three percent in 2007 legislation.
- Slight revisions to tobacco tax increases in the bill, including a revision made at the Finance Committee markup to add a slight further increase to cigarette taxes to cover a new dental provision

Congress decided at CHIP's creation in 1997 that taxes on tobacco products were an appropriate offset for a program intended to improve the health of low-income children across the country. The 2007 CHIP bills passed by overwhelming margins in the Senate followed that precedent. The updated Chairman's Mark released today still funds investment in the Children's Health Insurance Program with an increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

Additional provisions in the bill still provide additional outreach funds for Native American children, streamline the Medicaid enrollment process for children living in poverty, and give states the option of documenting an applicant's citizenship at application or following up by confirming through the applicant's Social Security number.

Current authorization for the Children's Health Insurance Program expires on March 31.

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