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MAXIMIZING CHILD HEALTH COVERAGE DEPENDS ON ESTABLISHING AN EFFECTIVE SYSTEM FOR REALLOCATING UNSPENT SCHIP FUNDS

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Overview

A series of recent news stories has brought attention to the fact that the majority of states did not use all of the federal child health funds set aside for them for fiscal year 1998, the first year of the State Children's Health Insurance Program (SCHIP). States had until September 30, 2000 to use all of their fiscal year 1998 SCHIP funds. It is estimated that 39 states (including the District of Columbia) did not do so by the deadline.

Under current law, the unspent funds from these 39 states are slated to be made available, or "reallocated," to the 11 states that did spend all of their fiscal year 1998 SCHIP funds by the September 30, 2000 deadline. These 11 states can use the reallocated funds to help finance the cost of their SCHIP programs during fiscal year 2001. Some policymakers have suggested, however, that the states slated to forego unused SCHIP funds should be accorded additional time to use the fiscal year 1998 funds and that the federal government should defer or cancel the reallocation process. Given that the vast majority of states are faced with the prospect of foregoing unused funds, it appears increasingly likely that Congress will take action in the closing weeks of the 106th Congress to change the current reallocation process.

At present, there are two major sets of proposals on the table to amend the reallocation process. The first, introduced by Senator Lincoln Chafee and Representative Brian Bilbray, would give all states until September 30, 2002 to use their fiscal year 1998 SCHIP funds. The proposal effectively defers any reallocation of unused SCHIP funds until fiscal year 2003, the sixth year of the program. The second proposal, referred to as the "Roth/Commerce proposal" in this paper, would allow the 39 states to keep roughly 60 percent of their unspent SCHIP funds through September 30, 2002 and re-allocate roughly 40 percent to the 11 states that have already used all of their fiscal year 1998 SCHIP funds.

To date, there has been considerable confusion about the implications of returning unused SCHIP funds for reallocation. Some news stories on this issue may have contributed to the confusion by leaving the mistaken impression that states scheduled to return unused SCHIP funds will not retain sufficient resources to maintain coverage for currently insured children or to cover children who are eligible but not yet enrolled. In fact, the 39 states slated to return unused fiscal year 1998 SCHIP funds *will have ample resources to cover all eligible uninsured children whom they can identify and enroll in their SCHIP programs for the foreseeable future*. If these states return their unspent fiscal year 1998 SCHIP funds, they still will have available *all* of their SCHIP funds for years after 1998. For example, during the coming year, these states will have available 100 percent of their federal SCHIP funds for both fiscal year 1999 and 2000 — none of which have been used yet — as well as their SCHIP funds for fiscal year 2001.

There is a way that significant numbers of children could miss out on coverage in the year ahead — that would be the likely outcome if a reallocation process does *not* go forward in some form. At least one of the 11 states that would benefit from the reallocation process — New York — is projected to run out of federal SCHIP funds in 2001 unless it receives some unspent fiscal year 1998 SCHIP funds that are supposed to be reallocated.

More important, failure to develop a reliable system for reallocating unused SCHIP funds would, over the longer term, prevent SCHIP from reaching its full potential to cover children. No formula for establishing states' shares (or "allotments") of SCHIP funds for any year ever will be able to capture with total accuracy the extent to which each and every state can and will use SCHIP funds to cover uninsured children. Some process for reallocating unspent SCHIP funds is essential to maximize child health coverage by directing SCHIP funds to states where the funds will be used.

Nevertheless, there are legitimate reasons why Congress should consider giving the 39 states some additional time to use *a share* of their unspent fiscal year 1998 SCHIP funds, as in the Roth/Commerce proposal. In the early years of SCHIP, most states were gaining experience operating their programs and did not use their SCHIP funds as rapidly as they will in future years. Also, HCFA recently advised states that it would consider requests for waivers authorizing states to use SCHIP funds to cover low-income parents, in addition to children. Since the option to cover parents with SCHIP funds is new, states with unspent SCHIP funds have a strong case that they should have the chance to use some of their unspent SCHIP funds to cover parents before all of these funds are reallocated to other states and potentially used to help support parent expansions in those states.[1]

This paper describes the current financing structure of SCHIP, reviews the early data that are available on states' use of SCHIP funds, and describes some of the alternatives under consideration for changing the system for redistributing unspent SCHIP funds. The paper concludes that the Roth/Commerce reallocation proposal offers a reasonable strategy for addressing the issue of unspent SCHIP funds from the early years of the programs. That proposal gives states with unspent funds some additional time to use a share of their initial SCHIP allotments, but also assures that a portion of the unspent funds is reallocated as required under current law. Since the proposal modifies the reallocation process only with respect to unspent SCHIP funds from the early years of the program, it avoids setting a long-term precedent.

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[1] HCFA stated in a letter to state health officials on July 31, 2000 that it would not allow states to use reallocated funds directly to pay for parent expansions because reallocated funds are not available on an ongoing basis. However, by using reallocated funds to help pay for the cost of their regular SCHIP programs for children, states can assure that more of their regular SCHIP allotments are available for the cost of covering parents.

Background on the SCHIP Financing Structure

The State Children's Health Insurance Program (SCHIP) established in August 1997 provides states with enhanced federal matching funds to cover uninsured low-income children. States may use these funds to expand Medicaid, establish or expand a separate child health insurance program, or adopt a combination of these approaches. The key aspects of the financing structure on which SCHIP is based — and that affect the role of reallocation in the program — are as follows:

- **SCHIP is a block grant program rather than an entitlement.** Unlike the Medicaid program and other entitlement programs which distribute federal funds to states based on their need for and ability to make use of such funds, SCHIP is a block grant program. Thus, Congress needed to develop a mechanism for distributing SCHIP funds among the states. It did so by electing to distribute SCHIP funds *initially* based on a funding formula (see below). To assure SCHIP resources did not sit unused, Congress combined the funding formula with a system of redistributing any SCHIP funds that remained unused after a period of three years to states that demonstrated an ability to make use of them.

- **Each state's share of federal SCHIP funds for a year is established by a formula.** When Congress enacted the State Children's Health Insurance Program, it established a formula under which each state is allocated a share of the federal funds provided for each fiscal year. This formula — which has changed somewhat over the course of the program — is now based primarily on each state's share of the total number of low-income children in the United States, as well as each state's share of the total number of *uninsured* low-income children in the country.[2] For purposes of the formula, low-income children are defined as those who reside in families with income below 200 percent of the poverty line.

- **States must spend some of their own funds as a condition of securing federal SCHIP funds.** Federal SCHIP funds are distributed to states on a "matching" basis. Thus, a state must spend some of its own funds to draw down federal SCHIP funds.

[2] As originally enacted by Congress in August of 1997, the SCHIP statute required changes over time in the formula used to distribute SCHIP funds. The original legislation called for SCHIP funds to be distributed to states based on their share of uninsured, low-income children in fiscal year 1998 and fiscal year 1999. In fiscal years 2000 and beyond, however, the original legislation called for the formula to consider increasingly a state's share of the total number of low-income children (as opposed to *uninsured* low-income children.) The final version of the formula established by the original legislation, which applies to fiscal year 2001 and beyond, gives equal weight to each state's share of uninsured low-income children and share of the total number of low-income children. Also, in 1999, Congress added a provision to the SCHIP statute giving states the same allotments in fiscal year 1999 as they had in fiscal year 1998, and creating floors and ceiling on how much a state's allotment can change from one year to the next.

Under the matching formula, the federal government picks up between 65 percent and 85 percent of the cost of covering a child, depending on the state.[3]

- **States have three years to use their share of SCHIP funds.** A state can use its SCHIP allotment for a given year over a period of *up to three years*. Thus, a state can use its fiscal year 1998 SCHIP allotment during fiscal years 1998, 1999, and 2000. By giving states a three-year window to use their SCHIP funds, Congress took into account the fact that states would need time to plan and implement their child health expansions, and also that states might need to preserve some of their allotments from the program's first few years in preparation for the three-year dip in federal SCHIP funding slated to begin in fiscal year 2002 (see below).

- **Unused SCHIP funds are reallocated.** If a state has not used its full SCHIP allotment for a given fiscal year by the end of the three-year period, the Secretary of Health and Human Services must reallocate the unused money to states that have fully spent their allotments for the given fiscal year. Through this reallocation process, Congress attempted to establish a mechanism within the SCHIP block grant structure to match more precisely the distribution of SCHIP funds with each state's funding needs.

- **SCHIP funding levels fluctuate over time.** When it authorized SCHIP, Congress provided ten years of funding for the program. In the first year of the program — fiscal year 1998 — states were allocated $4.2 billion in federal SCHIP funds. The funding for the program remains level at more than $4 billion a year through fiscal year 2001. In fiscal year 2002, however, federal SCHIP funding is slated to fall by 26 percent to $3.1 billion. The funding level for SCHIP will remain at a little more than $3 billion a year through fiscal year 2004, after which it returns to more than $4 billion a year. There does not appear to have been a significant policy reason behind this peculiar funding pattern; the "dip" in SCHIP funding that begins in fiscal year 2002 was written into the SCHIP legislation solely due to budget constraints present at the time the legislation was drafted in 1997.

The reallocation process plays an important role in the SCHIP financing structure. As a block grant, SCHIP lacks the inherent responsiveness of an entitlement program such as Medicaid to states' changing needs for, and ability to make use of, federal funds for health care coverage. The reallocation process increases the effectiveness of the SCHIP block grant by

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[3] Each state's SCHIP matching rate is equal to its "regular" federal Medicaid matching rate plus 30 percent of the difference between its regular Medicaid matching rate and 100 percent, except that the enhanced matching rate cannot exceed 85 percent. For example, the federal government reimburses Wisconsin for 59 percent of the cost of providing coverage to children and others under the "regular" Medicaid program, but 72 percent of the cost of covering children through an SCHIP-financed program. In essence, the SCHIP matching rate reduces a state's share of the cost of financing children's health insurance by 30 percent, compared to the state's share of health care costs when the regular Medicaid matching rate is used.

assuring that SCHIP funds eventually end up in states where they can and will be used to cover children.

Trends in SCHIP Expenditures

SCHIP Expenditures to Date

For a variety of reasons, many states are not expected to use their full SCHIP allotments for the early years of the program. Although data are only now becoming available, they indicate that 11 states are likely to have used their full fiscal year 1998 allotments by the September 30, 2000 deadline. (September 30, 2000 represents the final day of the three-year window during which states could use their fiscal year 1998 allotments.) It appears that 39 states did not use all of their fiscal year 1998 SCHIP funds by the deadline.

In total, states are expected to have used roughly $2.2 billion of the $4.2 billion allocated to them for SCHIP in fiscal year 1998. Under current law, this means that $2 billion of fiscal year 1998 allotments will be available for reallocation in fiscal year 2001 to the 11 states that have used their fiscal year 1998 allotments fully. (See Table 1 for expenditure data by state.)

SCHIP Expenditures in the Future

Although SCHIP spending to date has been lower than anticipated, resulting in significant amounts of unspent SCHIP funds for fiscal year 1998, there are indications that over the long term, most states will use all or the large majority of the SCHIP funds available to them. Many of the factors that caused states initially not to use a larger portion of their SCHIP funds are dissipating over time as a growing number of states more fully implement their SCHIP programs. State spending on SCHIP increased from $121 million in fiscal year 1998 to $898 million in fiscal year 1999 and an estimated $2 billion in fiscal year 2000.

Several other factors are likely to lead most states to use a significantly greater share of their SCHIP allotments over time. First, unless Congress elects to address the dip in SCHIP funding, states will need to reserve a share of their fiscal year 2000 and 2001 allotments to prepare for the three-year dip in federal SCHIP funding slated to occur in fiscal years 2002 through 2004. The Congressional Budget Office estimated earlier this year that states will spend more during the three-year dip than is allocated to them for those years. States will be able to spend more than they receive in SCHIP funds during the "dip years" only if they save some of their allotments from fiscal years 2000 and 2001. Second, as noted, HCFA recently advised states that it would consider requests for waivers to use SCHIP funds to cover parents, in

A Wide Range of Reasons Explain Why Most States Have Unspent SCHIP Funds from the Program's First Year

Most states have not used all of their fiscal year 1998 SCHIP funds by the September 30, 2000 deadline for one or more of the reasons described below.

- **Failure to seize the opportunity created by SCHIP.** In some states, the presence of a substantial amount of unspent funds reflects a failure to act quickly or fully on the opportunity that SCHIP created. For example, some states were slow to enact expansions of coverage for children, adopted only small expansions, or took a long period of time to develop simpler application procedures that make it more viable for low-income working families to enroll their children.

- **Limitations on using SCHIP funds for children.** In some states, unspent funds may reflect the fact that a state had already instituted a broad expansion in coverage for low-income children before enactment of SCHIP. Since states are not allowed to use SCHIP funds for children who can qualify for coverage under the Medicaid rules that the state had in place in the spring of 1997, a state that adopted an ambitious expansion of coverage for children prior to enactment of SCHIP is limited in the extent to which it can use SCHIP funds to cover low-income children.

- **Starting up new programs took more time than anticipated.** Some states required more time to establish child health programs than Congress had anticipated. Although these states may now be rapidly enrolling children, their spending on SCHIP during the first three years of the program fell below expected levels. This issue has arisen primarily in states that opted to establish a new, separate child health program rather than to expand Medicaid.

- **Some states' initial allotments may not have accurately reflected their need for SCHIP funds.** The formula used to distribute SCHIP funds is an imperfect device for determining how much each state should receive of the available SCHIP funds. The fiscal year 1998 formula was based on each state's share of the total number of uninsured children in the United States with family incomes below 200 percent of the poverty line. The data used to implement this formula were not perfect, however, or completely up-to-date.[1] In addition, the formula did not take into account the fact that significant numbers of uninsured children below 200 percent of the poverty line cannot be covered with federal SCHIP funds. For example, states cannot use their SCHIP funds to cover uninsured children who are eligible for regular Medicaid or uninsured children who do not meet the immigration-based restrictions that federal law requires states to impose on applicants for SCHIP-funded coverage.

Given the wide range of reasons for the situation, it is dangerous to generalize across states about why there are unspent SCHIP funds from fiscal year 1998.

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[1] In calculating the number of uninsured, low-income children in the United States, HCFA was directed by the SCHIP statute to use data from the Census Bureau's Current Population Surveys from March 1995, 1996, and 1997. The formula for distributing SCHIP funds relies on a three-year average estimate of the number of uninsured, low-income children in each state. (A three-year average is used because the number of families interviewed in the Census survey in any single year is not large enough to generate statistically reliable estimates on a state-by-state basis. Even with a three-year average, the estimates of the number of uninsured, low-income children in any given state are approximate, and these estimates are necessarily somewhat out-of-date.

addition to children, under certain conditions. In particular, states must demonstrate that they have expanded coverage for low-income children to 200 percent of the poverty line and taken strong action to enroll eligible children before they will be considered for waivers to use SCHIP funds for parents.

Interest is growing in a number of states to use this waiver opportunity to cover parents. Governor Davis in California, for example, signed legislation in September, 2000 that authorizes the state to submit a waiver request to use SCHIP funds for parents; the state is expected to submit such a waiver request next month. States that use SCHIP funds to cover parents will be more likely to use their full SCHIP allotments for the obvious reasons that the funds will be available to cover additional people. Also, states may be more likely to enroll additional *children* if they secure waivers to cover parents, both because states may need to improve their child health outreach effort in order to qualify for such waivers and because there is evidence that a larger proportion of the eligible children enroll when the children's parents are able to enroll at the same time[4].

Proposals to Change the SCHIP Reallocation System

As it has become clearer in recent months that the vast majority of states will not use all of their fiscal year 1998 SCHIP funds by the September 30, 2000 deadline, policymakers have begun to question whether the reallocation process should go forward as required under current law.

Two types of proposals have emerged in Congress to change the current reallocation system.

- **Bilbray/Chafee.** Legislation introduced in the House by Representative Brian Bilbray and in the Senate by Senator Lincoln Chafee would give all states until September 30, 2002 to use their SCHIP allotments for fiscal year 1998. This would effectively prevent *any* reallocation of SCHIP funds from occurring until fiscal year 2003, when the SCHIP program would be in its sixth year. By that point, there would be little unspent SCHIP funds remaining from fiscal year 1998 since states would have had five years to use those funds.

- **Roth/Commerce Proposal.** In approving Medicare "give back" legislation in September (H.R. 5921), the House Commerce Committee included a provision in that legislation to allow states with unspent fiscal year 1998 SCHIP funds to keep roughly 60 percent of their unspent funds through September 30, 2002. The remaining 40 percent of the unspent funds would be made available for reallocation

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[4] Leighton Ku and Matthew Broaddus, *The Importance of Family-Based Insurance Expansions: New Research Findings about State Health Reforms*, Center on Budget and Policy Priorities, September 5, 2000.

How the Roth/Commerce Proposal Works

The Roth/Commerce reallocation proposal allow states that qualify for reallocated funds to draw from the pool of unspent SCHIP funds an amount that represents their "need" for reallocated funds. A state's "need" for reallocated funds would equal the amount by which its total SCHIP spending during the preceding three years (fiscal years 1998 through 2000) exceeded its fiscal year 1998 allotment. For example, a state that spent $55 million on SCHIP during the preceding three years and had a fiscal year 1998 allotment of $50 million would receive $5 million in reallocated funds. Any unspent SCHIP funds that are not "needed" by states qualifying for reallocation would revert to states that did not qualify for the reallocation. The states not qualifying for reallocation would keep a proportional share of the remaining unspent SCHIP funds and could use these funds through September 30, 2002. (Table 2 provides state-specific estimates of the effect of the Roth/Commerce proposal on states' access to SCHIP funds.)

Unlike the Bilbray/Chafee proposal, which deals only with unspent funds from fiscal year 1998, the Roth/Commerce proposal would apply to unspent fiscal year 1999 funds as well (i.e., to fiscal year 1999 funds that remain unspent on September 30, 2001). States would have until September 30, 2002 to use a share of their unspent SCHIP funds from fiscal year 1999.

The Roth/Commerce proposal also gives states receiving reallocated funds some additional time to make use of these funds. While current law requires states to spend funds that they receive through the reallocation process within a year, the Roth/Commerce proposal gives states until September 30, 2002 to use such funds.

Finally, the Roth/Commerce proposal also allows states that keep some of their unspent SCHIP funds from fiscal years 1998 to use a larger share of these funds on outreach activities than current law permits. Under current law, states can use up to 10 percent of the amount they spend on coverage for children to finance outreach, administrative expenses, and health services initiatives. The Roth/Commerce proposal would allow states retaining unspent SCHIP funds through September 30, 2002 to use for outreach up to 10 percent of the amount they retain.

to the 11 states that have exhausted their fiscal year 1998 allotments. Senator Roth also has introduced a bill (S. 3165) that adopts the same formula for allowing states to retain a share of their unspent SCHIP funds. (See Table 2 for information on the share of unspent fiscal year 1998 SCHIP funds that each state would be likely to receive under the Roth/Commerce proposal.)

Although both proposals would give states with unspent SCHIP funds more time to use those funds, the Roth/Commerce proposal is greatly preferable. It assures that some of the unspent SCHIP funds will be reallocated, as current law envisions. If the reallocation process does not go forward in any form this year, that could have several deleterious consequences:

- **It could lead some states to scale back their child health expansions.** New York and possibly a few other states are likely to exhaust their fiscal year 1998, 1999, and 2000 SCHIP allotments by some time in 2001, and to be in the position at some point during 2001 of needing reallocated funds to keep their programs running at full capacity. In the absence of reallocated SCHIP funds, New York and possibly a few other states may have to cut back their programs during the coming fiscal year, unless they come up with additional state funds to maintain the programs.

- **It could limit the ability of states that have succeeded in using their full SCHIP allotments to prepare for the coming drop in federal funding.** A dismantling of the reallocation system would harm the 11 states that have used their full fiscal year 1998 SCHIP allocations. Under current SCHIP rules, Alaska, Indiana, Kentucky, Maine, Maryland, Massachusetts, Missouri, New York, North Carolina, Pennsylvania, and South Carolina are expected to receive a share of the unspent funds available for reallocation, since they are projected to have used all of their full fiscal year 1998 allocations by the September 30, 2000 deadline. If the deadline is extended without any special provision for these states, they will receive no reallocated funds. As a result, they will need to draw more heavily and rapidly upon their basic allotments, making it more difficult for them to prepare for the 26-percent reduction in federal SCHIP funding slated for fiscal year 2002.

- **It would undermine the basic principle that SCHIP funds should go to states that can and will use of them to insure children.** A dismantling of the reallocation system this year also could set a troubling precedent that makes it less likely, over the longer term, that a reallocation process will become an accepted and basic part of the SCHIP financing system.

The Roth/Commerce proposal avoids these problems, while allowing a substantial amount of unspent SCHIP funds from the program's first two years to remain with the states to which the funds originally were allocated. The proposal thus would enable a number of states with unspent SCHIP funds to pursue the waiver option to cover parents if they wish to do so. Since the option to cover parents with SCHIP funds is new, states with unspent SCHIP funds have a strong case that they should have the chance to use some of their unspent SCHIP funds to cover parents before all of these funds are reallocated to other states and potentially used to help support parent expansions in those states.

In sum, the Roth/Commerce proposal offers a balanced approach by allowing states with unspent funds to retain a share of these funds, while also maintaining the reallocation system in some form and sending a portion of the unspent SCHIP funds to states that have exhausted their fiscal year 1998 allotments.

Conclusion

The issue of how, or whether, unspent SCHIP funds should be reallocated is more complicated than it might appear at first blush. In the long run, an effective system for reallocating unused funds is essential to maximizing the potential of SCHIP to cover uninsured children.

Even in the short run, reallocation is important. If Congress were to take action to prevent any unspent SCHIP funds from being reallocated this year, some children would likely miss out on coverage.

At the same time, there are reasons to consider giving states with unspent SCHIP funds additional time to use a portion of those unspent funds. HCFA's recent announcement that states can use SCHIP funds to cover parents has "changed the rules of the game." Some states with unspent SCHIP funds may wish to use some of these funds to cover low-income parents.

Of the two proposals currently before Congress, the Roth/Commerce proposal does the best job of balancing these competing needs. It maintains a reallocation system, while according states with unspent SCHIP funds from the early years of the program an opportunity to use some of their unspent funds over a longer period of time.

Table 1: Federal SCHIP Spending to Date
(in millions)

	Expenditures in FY98	Expenditures in FY99	Expenditures in FY00	Total to Date	FY98 Allotment	Total Expenditures out of FY98 Allotment	Expenditures in Excess of FY98 Allotment	Unspent FY98 SCHIP funds
Alabama	$2.4	$22.9	$41.4	$66.7	$86.0	$66.7	–	$19.3
Alaska	**-**	**$3.8**	**$25.1**	**$28.9**	**$6.9**	**$6.9**	**$22.0**	**–**
Arizona	-	$8.8	$30.8	$39.6	$116.8	$39.6	–	$77.2
Arkansas	-	$0.7	$2.5	$3.2	$47.9	$3.2	–	$44.7
California	$2.0	$67.7	$184.7	$254.4	$854.6	$254.4	–	$600.2
Colorado	$1.0	$9.0	$14.9	$24.9	$41.8	$24.9	–	$16.9
Connecticut	-	$12.3	$12.2	$24.5	$35.0	$24.5	–	$10.5
Delaware	-	$0.7	$1.5	$2.2	$8.1	$2.2	–	$5.9
District of Columbia	-	$0.5	$9.1	$9.6	$12.1	$9.6	–	$2.4
Florida	$6.4	$51.0	$133.4	$190.7	$270.2	$190.7	–	$79.5
Georgia	-	$7.4	$44.6	$52.1	$124.7	$52.1	–	$72.6
Hawaii	-	-	$0.9	$0.9	$8.9	$0.9	–	$8.0
Idaho	$1.4	$3.9	$7.4	$12.6	$15.9	$12.6	–	$3.2
Illinois	$6.1	$14.7	$32.9	$53.7	$122.5	$53.7	–	$68.8
Indiana	**-**	**$61.7**	**$54.9**	**$116.6**	**$70.5**	**$70.5**	**$46.1**	**–**
Iowa	$0.3	$10.6	$16.8	$27.7	$32.5	$27.7	–	$4.8
Kansas	-	$8.8	$13.1	$21.9	$30.7	$21.9	–	$8.8
Kentucky	**-**	**$17.8**	**$74.9**	**$92.7**	**$49.9**	**$49.9**	**$42.8**	**–**
Louisiana	-	$10.4	$25.6	$35.9	$101.7	$35.9	–	$65.8
Maine	**-**	**$5.6**	**$7.3**	**$12.9**	**$12.5**	**$12.5**	**$0.4**	**–**
Maryland	**$0.7**	**$13.6**	**$95.2**	**$109.5**	**$61.6**	$61.6	**$47.9**	–
Massachusetts	**-**	**$35.4**	**$45.9**	**$81.2**	**$42.8**	$42.8	**$38.4**	–
Michigan	$0.7	$14.9	$38.4	$53.9	$91.6	$53.9	–	$37.7
Minnesota	-	$0.0	$0.0	$0.0	$28.4	$0.0	–	$28.4
Mississippi	-	$8.1	$21.5	$29.6	$56.0	$29.6	–	$26.4
Missouri	**-**	**$19.7**	**$47.8**	**$67.5**	**$51.7**	**$51.7**	**$15.9**	**–**
Montana	-	$0.6	$6.3	$6.9	$11.7	$6.9	–	$4.9
Nebraska	$0.0	$3.8	$6.6	$10.3	$14.9	$10.3	–	$4.5
Nevada	-	$4.1	$8.4	$12.5	$30.4	$12.5	–	$17.9
New Hampshire	-	$0.9	$1.8	$2.7	$11.5	$2.7	–	$8.8
New Jersey	$3.5	$19.6	$59.9	$83.0	$88.4	$83.0	–	$5.4
New Mexico	-	$0.8	$4.7	$5.5	$63.0	$5.5	–	$57.5
New York	**$50.1**	**$239.4**	**$417.7**	**$707.2**	**$255.6**	**$255.6**	**$451.6**	**–**
North Carolina	**-**	**$34.9**	**$66.4**	**$101.3**	**$79.5**	**$79.5**	**$21.8**	**–**
North Dakota	-	$0.1	$1.7	$1.8	$5.0	$1.8	–	$3.2
Ohio	$8.6	$35.9	$47.8	$92.3	$115.7	$92.3	–	$23.5
Oklahoma	-	-	$50.2	$50.2	$85.7	$50.2	–	$35.5
Oregon	$0.4	$7.2	$13.0	$20.7	$39.1	$20.7	–	$18.5
Pennsylvania	**$10.1**	**$38.6**	**$72.9**	**$121.6**	**$117.5**	**$117.5**	**$4.2**	**–**
Rhode Island	-	$2.3	$5.2	$7.5	$10.7	$7.5	–	$3.1
South Carolina	**$26.3**	**$43.2**	**$46.6**	**$116.1**	**$63.6**	**$63.6**	**$52.5**	–
South Dakota	$0.1	$1.5	$3.8	$5.3	$8.5	$5.3	–	$3.2
Tennessee	-	-	$51.0	$51.0	$66.2	$51.0	–	$15.1
Texas	$1.3	$38.5	$49.9	$89.7	$561.3	$89.7	–	$471.6
Utah	-	$8.0	$12.6	$20.6	$24.2	$20.6	–	$3.6
Vermont	-	$0.5	$1.6	$2.1	$3.5	$2.1	–	$1.5
Virginia	-	$5.0	$12.8	$17.8	$68.3	$17.8	–	$50.5
Washington	-	-	$0.7	$0.7	$46.7	$0.7	–	$45.9
West Virginia	$0.0	$1.1	$10.9	$12.0	$23.6	$12.0	–	$11.6
Wisconsin	-	$2.1	$20.8	$22.8	$40.6	$22.8	–	$17.8
Wyoming	-	-	$1.1	$1.1	$7.7	$1.1	–	$6.6
National	**$121.2**	**$898.4**	**$1,956.8**	**$2,976.4**	**$4,224.3**	**$2,232.9**	**$743.5**	**$1,991.3**

Note: Based on data submitted by states to HCFA on actual expenditures through 6/30/00 and estimated expenditures for the 4th quarter of FY 2000. The 11 states in bold are eligible for reallocated funds.

Table 2: Estimated Share of Unspent Fiscal Year 1998 SCHIP Funds Allocated to Each State Under the Roth / Commerce Proposal

(in millions)

	Amount of Unspent FY98 Funds Allocated to Each State
Alabama	$12.1
Alaska	**$22.0**
Arizona	$48.4
Arkansas	$28.0
California	$376.1
Colorado	$10.6
Connecticut	$6.6
Delaware	$3.7
District of Columbia	$1.5
Florida	$49.8
Georgia	$45.5
Hawaii	$5.0
Idaho	$2.0
Illinois	$43.1
Indiana	**$46.1**
Iowa	$3.0
Kansas	$5.5
Kentucky	**$42.8**
Louisiana	$41.2
Maine	**$0.4**
Maryland	**$47.9**
Massachusetts	**$38.4**
Michigan	$23.6
Minnesota	$17.8
Mississippi	$16.6
Missouri	**$15.9**
Montana	$3.0
Nebraska	$2.8
Nevada	$11.2
New Hampshire	$5.5
New Jersey	$3.4
New Mexico	$36.0
New York	**$451.6**
North Carolina	**$21.8**
North Dakota	$2.0
Ohio	$14.7
Oklahoma	$22.2
Oregon	$11.6
Pennsylvania	**$4.2**
Rhode Island	$2.0
South Carolina	**$52.5**
South Dakota	$2.0
Tennessee	$9.5
Texas	$295.5
Utah	$2.3
Vermont	$0.9
Virginia	$31.7
Washington	$28.8
West Virginia	$7.3
Wisconsin	$11.2
Wyoming	$4.1
National	**$1,991.3**

Note: CBPP calculations based on applying the reallocation forumla described in the Roth/Commerce proposal to data states submitted to HCFA on actual expenditures through 6/30/00 and estimated expenditures for the 4th quarter of FFY 2000. The 11 states projected to receive reallocated funds are in bold.