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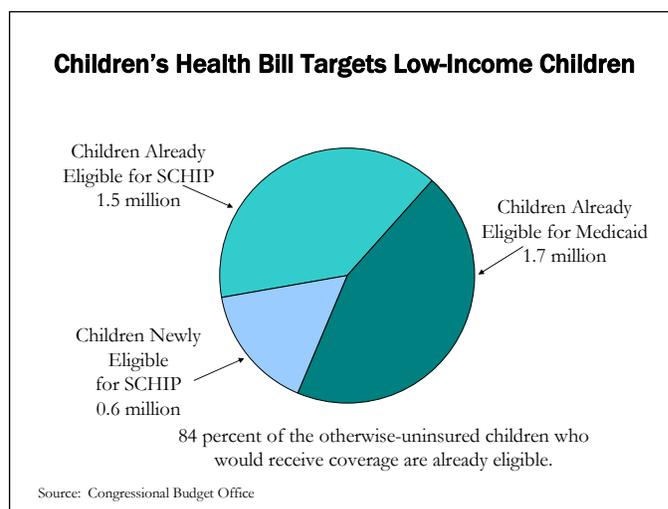
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## BIPARTISAN LEGISLATION TO STRENGTHEN CHILDREN'S HEALTH CARE FOCUSES ON LOW-INCOME CHILDREN

The children's health care bill President Bush recently vetoed would provide coverage by 2012 to 3.8 million children who would otherwise be uninsured. The vast majority of these children have low incomes, as the Congressional Budget Office (CBO) has shown. Of these children:

- *1.7 million are already eligible for Medicaid.* Most of these children live at or below the poverty line (currently \$17,170 for a family of three).
- *1.5 million are already eligible for the State Children's Health Insurance Program, which covers children in families that make too much to qualify for Medicaid but too little to afford private insurance.* Most of these children live between 100 and 200 percent of the poverty line.



Thus, CBO estimates that 3.2 million of these 3.8 million children — or 84 percent of them — have incomes *below* states' current eligibility limits. Only about 600,000 of the children would gain eligibility as some states broadened their SCHIP eligibility criteria.

Further evidence that the bill is focused on those who most need help includes:

- **Bigger state incentives to cover poorer children.** The bill gives states financial incentives to enroll more of the approximately 6 million uninsured children who are eligible for Medicaid and SCHIP but unenrolled. To encourage states to focus on the lowest-income children, it gives them *larger* incentives for enrolling the poor and near-poor children who are eligible for Medicaid than the modestly better-off children who are eligible for SCHIP.
- **Effective targeting on the uninsured.** CBO found that nearly two-thirds of those who would gain coverage under the bill would otherwise be uninsured. That makes the bill considerably more efficient than the Administration's proposals to provide tax breaks for the purchase of private health insurance in the individual market. Less than one-quarter of the benefits of the tax breaks proposed by the Administration last year would go to people who would otherwise be uninsured, according to an analysis by MIT economist Jonathan Gruber.

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