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## **THE WEEK'S TOP FIVE MYTHS REGARDING CONGRESSIONAL EFFORTS TO STRENGTHEN CHILDREN'S HEALTH COVERAGE**

**Myth #1: The bills before Congress to renew the State Children's Health Insurance Program (SCHIP) would vastly expand program eligibility.**

**Fact:** According to the nonpartisan Congressional Budget Office: 4.6 million of the 5.1 million otherwise-uninsured children who would gain coverage under the bill the House Energy and Commerce Committee is expected to approve in the next few days have incomes *below* states' current eligibility limits; and 3.5 million of the 4 million otherwise-uninsured children who would gain coverage under the bill the Senate Finance Committee approved last week have incomes below states' current eligibility limits.

**Myth #2: The House bill would expand children's health coverage by cutting health coverage for seniors.**

**Fact:** By phasing out government overpayments to private health insurers in Medicare, the House bill would strengthen Medicare's finances, adding two years to the life of its trust fund and reducing the severity of the benefit cuts (or increases in Medicare taxes) that ultimately will be needed to sustain Medicare in future decades.

The House bill also expands the programs within Medicare that help lower-income beneficiaries with their out-of-pocket Medicare costs, improves access to preventive care and other services for all Medicare beneficiaries (including mental health services and screening for colon cancer), protects beneficiaries enrolled in private Medicare Advantage plans from higher out-of-pocket costs when they get sick, and strengthens oversight of private plan marketing practices.

For these and other reasons, AARP supports the House bill as a measure that would help rather than hurt elderly Americans.

**Myth #3: Strengthening public health programs is an inefficient way to reduce the ranks of the uninsured — much less efficient than the Administration's proposed tax break for the purchase of private insurance — because most of the people who would gain public coverage already have insurance.**

**Fact:** A study by Jonathan Gruber, the M.I.T. health economist whose study on the effects of SCHIP on private insurance is touted by the Administration, found that 77 percent of the benefits under the Administration's health tax proposals from last year would go to people who are already insured. This is *more than double* the "crowd-out" percentage under the House and Senate bills, which CBO has estimated at about 30 percent and 34 percent, respectively. As Gruber has stated, "public insurance expansions like SCHIP remain the most cost-effective means of expanding health insurance coverage."

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Similarly, CBO director Peter Orszag has observed that the SCHIP bills' approach to covering more of the uninsured is "pretty much as efficient as you can possibly get" for an effort to extend coverage to several million uninsured individuals.

**Myth #4: Allowing states to use SCHIP funds to cover low-income parents violates the program's goal of expanding coverage among children.**

**Fact:** Numerous studies have shown that parents are more likely to sign their children up for coverage if they can obtain coverage for themselves at the same time. As CBO director Orszag told Congress last week: "restricting eligibility to parents does have an effect on take up among children.... [F]or every three or four parents you lose, you might lose one or two kids."

**Myth #5: Strengthening SCHIP would advance a "Washington-run, government-owned" health system.**

**Fact:** Most SCHIP (and Medicaid) beneficiaries receive coverage through private managed care plans that contract with their states, not through government doctors. The American Medical Association and the trade associations for the private insurance companies and the drug companies — hardly supporters of "government run" health care, a single-payer system, or "socialized medicine" — support the efforts in Congress to use SCHIP to cover substantially more uninsured low-income children.

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