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September 20, 2007

## THE PRESIDENT'S COMMENTS ON CONGRESS' SCHIP PLAN

In today's press conference, President Bush repeated a number of incorrect or misleading statements the Administration has made in recent months regarding congressional efforts to strengthen children's health coverage through the SCHIP program.

The most significant of these is, as the President said today: "I want . . . the Congress to be focused on making sure poor children get the health insurance they were promised. Instead, Congress has made a decision to expand [SCHIP] eligibility up to \$80,000."

The President's statement has been directly contradicted by Senator Charles Grassley (R-IA), a key member of the bipartisan group that is currently negotiating the congressional agreement to strengthen SCHIP. Senator Grassley told the *Des Moines Register* that the President was incorrect to claim that the emerging agreement would include coverage up to that income level. (*CongressDaily* quotes Senator Grassley as stating that the President's "understanding of our bill is wrong, and I would urge the president to reconsider his veto message based upon the bill we might pass, not something that some staffer has told him wrongly about our bill.")

Moreover, the overwhelming majority of children who would gain health coverage under the emerging agreement are precisely the low-income children the President says he wants to focus on. A Congressional Budget Office analysis of the SCHIP bill passed by the Senate last month — which the emerging agreement will closely resemble — found that *at least 85 percent of the otherwise-uninsured children who would gain coverage under the bill have incomes below states' current SCHIP eligibility limits.* (For more information on the CBO analysis, see the Center report "CBO Estimates Show Large Gains in Children's Health Coverage Under Senate SCHIP Bill". <http://www.cbpp.org/7-16-07health.htm>)

The emerging agreement will also be effectively targeted on *uninsured* children. CBO found that two-thirds of those who would gain SCHIP coverage under the Senate SCHIP bill would otherwise be uninsured. That makes the congressional approach considerably more efficient than the Administration's 2006 proposal to provide tax breaks for the purchase of private health insurance. Less than one-quarter of the benefits of those tax breaks would go to people who would otherwise be uninsured, according to an analysis by MIT economist Jonathan Gruber.

The President's statement that Congress should "focus on making sure poor children get the health insurance they were promised" is particularly ironic given that on August 31, the Administration announced that it would completely eliminate federal Medicaid matching funds for Medicaid outreach and enrollment activities undertaken by school personnel, even though this is widely recognized as one of the best ways to reach poor children who are eligible for publicly funded

coverage but are unenrolled and uninsured. (See: "Congressional Action is Needed to Prevent the Administration From Eviscerating Efforts to Enroll Uninsured Low-Income Children in Health Coverage Through the Schools". <http://www.cbpp.org/9-17-07health.htm>)

The President also claimed today that the emerging congressional SCHIP agreement is “an incremental step toward the goal of government-run health care for every American.” This, too, is incorrect. Most SCHIP beneficiaries receive coverage through private managed care plans that contract with their state, 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 — support expanding SCHIP to cover more uninsured low-income children. (See: "The Administration's Dubious Claims about the Emerging Children's Health Insurance Legislation: Myth and Reality". <http://www.cbpp.org/7-17-07health.htm>)