

January 15, 2009 - Slaughter Celebrates House Passage of State Children's Health Insurance Bill

FOR IMMEDIATE RELEASE

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Rep. Slaughter Celebrates House Passage of State Children's Health Insurance Bill

Washington, DC - Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Committee on Rules, today applauded the House passage of the State Children's Health Insurance Program (SCHIP) Reauthorization bill. This bipartisan bill renews and improves SCHIP, providing health care coverage for 11 million children by preserving coverage for the 7 million children currently covered by SCHIP and extending coverage to 4 million uninsured children who are currently eligible for, but not enrolled in, SCHIP and Medicaid.

"No child in Western New York or anywhere across our nation should go without medical care," said Congresswoman Slaughter. "Providing health care to millions more children sends a clear message that change has come to Washington. Covering more eligible children is not only the right thing to do; it is also much more cost-effective for taxpayers than using the emergency room as a primary care provider."

The State Children's Health Insurance Program was created in 1997 to provide health care coverage for children in families that earn too much to qualify for Medicaid, but not enough to afford private insurance, and has proved to be a successful and cost-effective program for providing health care.

"In this recession, more and more American parents are having difficulty finding affordable health insurance for their children and the need for this legislation is growing each day," Slaughter continued. "I am proud to support this bipartisan bill that will move us closer to providing every child in our nation with affordable, high-quality health care."

Currently, Congressional leaders hope to have this bipartisan children's health bill on President Obama's desk in his first few weeks in office.

BACKGROUND

Today, the House passed H.R. 2, the State Children's Health Insurance Program (SCHIP) Reauthorization Act. This legislation reauthorizes and improves SCHIP. Following is an overview of some of the bill's key provisions:

Ensures health care coverage for 11 million American children. The bill renews and improves the State Children's Health Insurance Program (SCHIP), reauthorizing it for four and a half years - through FY 2013. The bill ensures that the 7 million children who currently participate in SCHIP continue to receive coverage. It also extends coverage to 4 million uninsured children, according to the nonpartisan Congressional Budget Office.

Improves care and strengthens funding. The bill invests billions in new funding over five years in SCHIP in order to strengthen SCHIP's financing; increase health care coverage for low-income, uninsured children; and improve the quality of health care children receive.

Provides resources for states to reach uninsured children who are today eligible for SCHIP and Medicaid but not yet enrolled. Two-thirds of uninsured children are currently eligible for coverage through SCHIP or Medicaid - but better outreach and adequate funding are needed to identify and enroll them. This bill gives states the resources and incentives necessary to reach and cover millions of uninsured children who are eligible for, but not enrolled in, SCHIP and Medicaid.

Improves SCHIP benefits - ensuring dental coverage and mental health parity. Under the bill, quality dental coverage will now be provided to all children enrolled in SCHIP. The bill also ensures that states will offer mental health services on par with medical and surgical benefits covered under SCHIP.

Improves outreach tools to streamline enrollment of eligible children. The bill provides \$100 million in grants for new outreach activities to states, local governments, schools, community-based organizations, safety-net providers and others.

Improves the quality of care for low-income children. The bill establishes a new initiative to develop and implement pediatric health quality measures and improve state reporting of quality data.

Gives states the option of covering certain legal immigrant children. The bill gives states the option of covering legal immigrant children who have been here less than five years under SCHIP and Medicaid. The current five-year wait period can mean the difference between preventing or treating health conditions that can affect a child's prospects for a healthy and productive life - or leaving those conditions undetected and not prevented, costing taxpayers much more in the long run. (The House passed this provision previously on August 1, 2007 as part of the Children's Health and Medicare Protection Act.)

Prioritizes children's coverage and phases out coverage of childless adults and parents. The bill phases out the coverage of childless adults and parents in SCHIP.

Is fully paid-for - with an increase in the tobacco tax and a provision regarding self-referral to physician-owned hospitals. First, the bill raises the tobacco tax by 61 cents a pack. Raising the tobacco tax discourages children from smoking - and polls show the public supports it as a way to pay for health care. According to the Campaign for Tobacco-Free Kids, a 61-cent increase in the tobacco tax means that 1,873,000 fewer children will take up smoking. Secondly, the bill closes a loophole in Medicare that allows physicians to profit from referring their patients to hospitals in which they have an ownership interest. Many analysts believe that self-referral to physician-owned hospitals increases unnecessary utilization and encourages the skimming of healthier, less complex, and insured patients by these facilities for higher profit margins. Consequently, this leaves full-service community hospitals with sicker, more complex (and less profitable) patients, which is a further drain on the safety net.

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