In Stopgap Move, Congress Extends SCHIP Until 2009

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After months of debate and two presidential vetoes, Congress has voted to extend the State Children’s Health Insurance Program to April 2009. President Bush signed the legislation on December 29th. The SCHIP extension is in a bill that also addressed Medicare physician reimbursement, payments for Part B drugs, lab tests used by diabetics, and long-term care hospitals.

Authorization for SCHIP expired on September 30, 2007. The program continued to operate through two remaining resolutions that kept the entire federal government funded, until the end of December. While lawmakers and the President wrangled over a 5-year reauthorization, the showdown ended in late December when the Senate and House both agreed to a stripped-down version of the Democrats’ original legislation. Congress voted to allocate enough federal funds to keep SCHIP enrollment at 2007 levels—or about 6 million children and adults—through March 31, 2009. Democrats had sought to broaden SCHIP to cover 10 million more children.

And the bill provided enough funding to keep programs afloat in a handful of states that were facing budgetary shortfalls. Democrats and child advocates were relieved that the program was at least extended temporarily, but many were concerned about its future. “Today we passed a package that puts a band-aid on Medicare and buys just a little more time for families currently relying on SCHIP to keep their children healthy,” Rep. Charles B. Rangel (D-N.Y.) said in a statement. “My concern with this legislation is not what’s in it, but what’s not in it.”

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House Speaker Nancy Pelosi issued a statement noting that the bill “does not make headway in reducing the number of uninsured.”

Some Republicans weren’t happy, either. Sen. Charles Grassley said in a statement that the original bill was passed unanimously in the Senate, he knew that the bill fell short of what many in Congress were hoping for. “I do hope we can do more when we come back next year,” he said in a statement. “The SCHIP package that was passed did not—as Democrats had preferred—reverse a directive issued by the Centers for Medicare and Medicaid Services last August. States were notified that they were raising eligibility for children whose family incomes were equal to or above 200% of the federal poverty level, they would have to meet stringent new requirements. Primarily, states would have to prove that 95% of eligible children—those at 200% of poverty—were enrolled. The goal: to ensure that these families are not opting for SCHIP instead of private insurance. States must meet that target by August 2008. In a briefing with reporters, Acting CMS Administrator Kerry Weems said that at least two states, Vermont and Massachusetts, will soon meet the goal. Currently, there is no set enforcement plan, he said. The CMS would likely look at each state individually to determine whether it was meeting the directive. Mr. Weems said.”

In a conference call with reporters, Robert Greenstein, executive director of the Center on Budget and Policy Priorities, a Washington think tank, said the directive could have a huge impact on enrollment. Fourteen states cover children above 250% of poverty, and 10 more had plans to expand eligibility above that level. The result was that “was not a maintenance of the current situation but backwards progress,” he said.