Citing Deficits, Senators Hesitate to Expand SCHIP

BY ALICIA AULT
Associate Editor, Practice Trends

WASHINGTON — As a Senate panel opened debate on reauthorization of the State Children’s Health Insurance Program, legislators had doubts about expanding coverage to an estimated 9 million children who are eligible but who have not yet been enrolled.

SCHIP is due to expire on Sept. 30, but most states have been straining in the last few years to pay for children already covered by the program, several witnesses said at a meeting of the Senate Finance Committee.

Members of the committee also acknowledged that reality.

“Congress has simply not given [SCHIP] enough funds to meet the current demand for services,” said committee chair Sen. Max Baucus (D-Mont.), who estimated that the program would need $12 billion to $15 billion over the next 5 years to maintain current coverage and $45 billion to bring all eligible children into SCHIP.

A last-minute deal signed into law at the end of 2006 allocated $271 million to cover about 600,000 shortfalls for a dozen or so states, but at least 14 more states will run out of SCHIP funds for fiscal 2007 if Congress does not enact another bailout by mid-May, said Sen. Baucus.

In 2007, states will spend an estimated $8.3 billion on SCHIP, but only $3 billion has been allotted, said Cindy Mann, executive director of the Georgetown University Center for Children and Families. Without an influx of federal cash, 37 states will run out of funds this year, Ms. Mann testified at the Finance Committee.

As of fiscal 2005, SCHIP had 6 million enrollees, according to a Government Accountability Office (GAO) report released Tuesday. The enrollment growth was fastest during the early years of the program and leveled off more recently.

Georgia Gov. Sonny Perdue testified that there has been no slowing of enrollment in his state, with an average 19% per month increase since June 2005. About 275,000 children are covered in Georgia, making it the fourth-largest SCHIP program in the country, he said. The Centers for Medicare and Medicaid Services had projected that only 130,000 children were eligible for Georgia SCHIP.

But, because of SCHIP rules, states that cover more children end up receiving a smaller allotment for the following year. The Finance Committee was considering slowing enrollment in any state automatically undermines maintaining funding to keep these kids enrolled in the program,” Gov. Perdue testified, arguing for a change in the SCHIP funding formula.

Some senators questioned whether states’ flexibility should be reined in, saying that some initiatives might be diluting the program’s intent—to cover low-income children.

Georgia is generally allowed to cover children in families with incomes up to 206% of the poverty level or 50% of the poverty level.

For improper dispensing of foam, shake the can, hold it upside down, and press for 10 seconds. (See PRECAUTIONS: Outlining of dressings).

Therapy should be discontinued when control has been achieved. If no improvement is noted after two weeks of twice daily use in patients with atopic dermatitis of at least 30% improvement, therapy should be discontinued and alternative therapy started. Treatment should be limited to 2 consecutive weeks and patients should not use greater than 50 grams per week or an amount greater than 21 capfuls per week (see DOSAGE AND ADMINISTRATION).

Avoid contact with the eyes. If contact does occur, wash promptly with soap and water.

Therapy with topical corticosteroids should be limited to the least amount compatible with effective control of the disease. As with other corticosteroids, therapy should be discontinued when skin color returns to normal. This is the time when improvement may be greatest, but it is also the time when skin instability is greatest, and patients may require further therapy for several months (see PRECAUTIONS: Pediatric Use).

Severe, chronic, suppressible inflammation of the skin is an indication for therapy with Olux-E Foam, because other agents may be less effective or not tolerated as well (see CLINICAL PHARMACOLOGY).

Systemic absorption of topical corticosteroids has caused reversible adrenal suppression and hypoadrenalinism in patients treated for prolonged periods, particularly those with atopic dermatitis (see CLINICAL PHARMACOLOGY).

In 2006, states spent $45 billion and SCHIP enrollees were funded by Congress for kids,” said Sen. Grassley.

Stefan (R-Utah) also questioned how states had been allowed to extend SCHIP benefits to adults.

“We have to question whether these waivers have been properly approved,” said Sen. Hatch.

Mann counseled senators to keep adult coverage in perspective, noting that only 600,000 of the 6 million SCHIP enrollees are adults. “This coverage has been an added incentive for states to expand their programs to cover adults,” said Mann.

In 2004, states enrolled 6 million children and 1 million adults.

This was the first meeting of the Finance Committee to consider reauthorization since Congress passed the Children’s Health Insurance Program Reauthorization Act of 2002, which extended SCHIP for four years at $55 billion.

But, because of SCHIP rules, states that cover more children end up receiving a smaller allotment for the following year. The Finance Committee was considering slowing enrollment in any state automatically undermines maintaining funding to keep these kids enrolled in the program,” Gov. Perdue testified, arguing for a change in the SCHIP funding formula.

Some senators questioned whether states’ flexibility should be reined in, saying that some initiatives might be diluting the program’s intent—to cover low-income children.

Georgia is generally allowed to cover children in families with incomes up to 206% of the poverty level or 50% of the poverty level.

For improper dispensing of foam, shake the can, hold it upside down, and press for 10 seconds. (See PRECAUTIONS: Outlining of dressings).

Therapy should be discontinued when control has been achieved. If no improvement is noted after two weeks of twice daily use in patients with atopic dermatitis of at least 30% improvement, therapy should be discontinued and alternative therapy started. Treatment should be limited to 2 consecutive weeks and patients should not use greater than 50 grams per week or an amount greater than 21 capfuls per week (see DOSAGE AND ADMINISTRATION).

Avoid contact with the eyes. If contact does occur, wash promptly with soap and water.

Therapy with topical corticosteroids should be limited to the least amount compatible with effective control of the disease. As with other corticosteroids, therapy should be discontinued when skin color returns to normal. This is the time when improvement may be greatest, but it is also the time when skin instability is greatest, and patients may require further therapy for several months (see PRECAUTIONS: Pediatric Use).

Severe, chronic, suppressible inflammation of the skin is an indication for therapy with Olux-E Foam, because other agents may be less effective or not tolerated as well (see CLINICAL PHARMACOLOGY).

In 2006, states spent $45 billion and SCHIP enrollees were funded by Congress for kids,” said Sen. Grassley.

Stefan (R-Utah) also questioned how states had been allowed to extend SCHIP benefits to adults.

“We have to question whether these waivers have been properly approved,” said Sen. Hatch.

Mann counseled senators to keep adult coverage in perspective, noting that only 600,000 of the 6 million SCHIP enrollees are adults. “This coverage has been an added incentive for states to expand their programs to cover adults,” said Mann.

In 2004, states enrolled 6 million children and 1 million adults.

This was the first meeting of the Finance Committee to consider reauthorization since Congress passed the Children’s Health Insurance Program Reauthorization Act of 2002, which extended SCHIP for four years at $55 billion.