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## **CHILDREN'S HEALTH INSURANCE PROGRAM RENEWAL WINS STRONG SUPPORT FROM FINANCE PANEL, HEADS TO FULL SENATE**

*Agreement struck by Baucus, Grassley, Rockefeller, Hatch approved by vote of 17-4*

**Washington, DC** – By a vote of 17-4, the Senate Finance Committee has approved a bipartisan plan to renew and improve the Children's Health Insurance Program (CHIP) this year. CHIP provides health coverage to low-income, uninsured American children whose parents do not qualify for Medicaid, but who cannot afford private health insurance. U.S. Senators Max Baucus (D-Mont.), Chuck Grassley (R-Iowa), Jay Rockefeller (D-W.Va.), and Orrin Hatch (R-Utah) crafted the \$35 billion Children's Health Insurance Program Reauthorization Act to maintain coverage for all 6.6 million children covered by CHIP today – including 800,000 who will lose CHIP coverage without these additional funds – and to bring dependable health coverage to an additional 3.2 million low-income, uninsured American children in the next five years. The Committee-approved bill sharpens CHIP's focus on children's coverage, and targets the lowest-income eligible children for outreach and enrollment.

**"Today the Finance Committee did the right thing for America's kids. The Children's Health Insurance Program gets health coverage to low-income, uninsured children who would otherwise go without the doctor visits and medicines they need. This vote brings millions more low-income, uninsured kids one step closer to coverage that can keep them healthy and give them a good start in life,"** said Baucus. **"I'm proud of the cooperation that went into this agreement. I'm particularly pleased that in addition to covering more kids, we were able to improve dental and mental health coverage in the final package. It's time for the full Senate and the entire Congress to stand together for kids, and to renew the Children's Health Insurance Program in a way that makes a difference for kids in need."**

**"We learned a lot in the first ten years of this program, and the legislation the committee passed today is a responsible and realistic effort to bring the program in line with its core mission of providing health care coverage to kids in lower-income working families,"** said Grassley. **"For the sake of these kids, the House of Representatives ought to keep the Senate's 60-vote threshold in mind when it considers a reauthorization proposal. I hope the Administration recognizes the importance of this program and can see that after this bill, the next step is to work on a bipartisan basis to develop tax legislation that will further expand health insurance coverage for far more American families."**

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**“Making children healthy speaks to our deepest humanity and recognizes their importance to our nation’s future. That is the commitment we made today in the Finance Committee and that is the commitment that Congress must make moving forward,” Rockefeller said. “Today’s vote shows that Republicans and Democrats both understand that ensuring children have access to affordable health insurance is the right thing to do. This compromise allows the Children’s Health Insurance Program to continue to deliver on that promise and gives millions more children the chance to start out life healthy.”**

**“We’ve approved a bill today that captures the true essence of the 1997 law and builds on that foundation to insure even more children. This is a good bill. It accomplishes what we have set out to do – to take care of the children,” said Hatch. “Yes, I wish it did not cost what it does, but I am persuaded this is necessary spending when I think of the six million American children who are leading healthier lives because of our vision and commitment.”**

The Senators unveiled their proposal on Friday, July 13. Following further consultations with Finance Committee members, Baucus brought a modified Chairman’s Mark to the committee for consideration today. New elements include \$200 million in grants for states to strengthen and improve access to dental coverage for children, and a requirement for states providing mental health services to provide coverage on par with medical and surgical benefits offered under CHIP. A provision allowing states to use information from food stamp programs and other initiatives for low-income families to find and enroll eligible children is now included as well.

Elements of the original Chairman’s Mark remain as follows:

- \$35 billion above the baseline of \$25 billion in funding over five years will preserve coverage for 6.6 million children enrolled at this time – including those who would have lost CHIP coverage without this investment – and reach an estimated 3.2 million additional uninsured, low-income American children
- State allotment formula improved to reflect actual projected spending
- Contingency fund to address unforeseen emergencies
- Funding for outreach and enrollment efforts, including targeted efforts to find and enroll Native American children and to reduce racial and ethnic disparities of health coverage
- Coverage above 300% of Federal poverty level will receive regular Medicaid match rate
- Improved premium assistance policies
- States have an additional option to cover pregnant women as a state option, as well as maintaining the options to cover them through a state waiver or through regulation
- Childless adults currently enrolled in CHIP will be transitioned into Medicaid
- Funds for existing coverage of low-income parents will transition into separate small block grants at a lower Federal matching rate
- New waivers for additional adult coverage will not be permitted
- States have the option of documenting an applicant's citizenship at application or following up by confirming through the applicant’s Social Security number
- Improved pediatric quality measures for CHIP and Medicaid

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This investment in the Children's Health Insurance Program is paid for with a 61-cent increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

U.S. Senator Ted Kennedy, a leader in the 1997 creation of the Children's Health Insurance Program and current Chairman of the Committee on Health, Education, Labor, and Pensions, voiced support for the bipartisan Finance Committee agreement today.

Senator Kennedy said, **"This bipartisan plan means peace of mind for millions of American families as it will enable millions more children to grow up healthy and strong. I commend the Finance Committee for its leadership putting aside partisanship for the sake of needy children in the same spirit as when Senator Hatch and I worked together on the initial CHIP program in 1997. I look forward to working with my colleagues to pass this out of the Senate and then to working with the House to finish job for America's children. I urge President Bush to back down from his threat to veto this vital piece of legislation, and to put the health of children and the peace of mind of their parents before partisan politics."**

Authorization for the Children's Health Insurance Program expires on September 30. The full Senate is expected to take up the Finance-approved renewal package for the Children's Health Insurance Program this month, so that final legislation may be negotiated with the House of Representatives and signed into law.

Baucus and Grassley are Chairman and Ranking Republican Member of the Senate Finance Committee. Rockefeller and Hatch are the Chairman and Ranking Republican Member of the Finance Subcommittee on Health Care.

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