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MAKING CHILDREN & FAMILIES THE PRIORITY

“The Crisis in Health Care and the New Congress”

Bruce Lesley

President

First Focus

November 9, 2006

SCHIP Reauthorization



History

- Passed as part of Balanced Budget Act of 1997
- 10th Year Anniversary of SCHIP in 2007 but also expires as of September 30, 2007



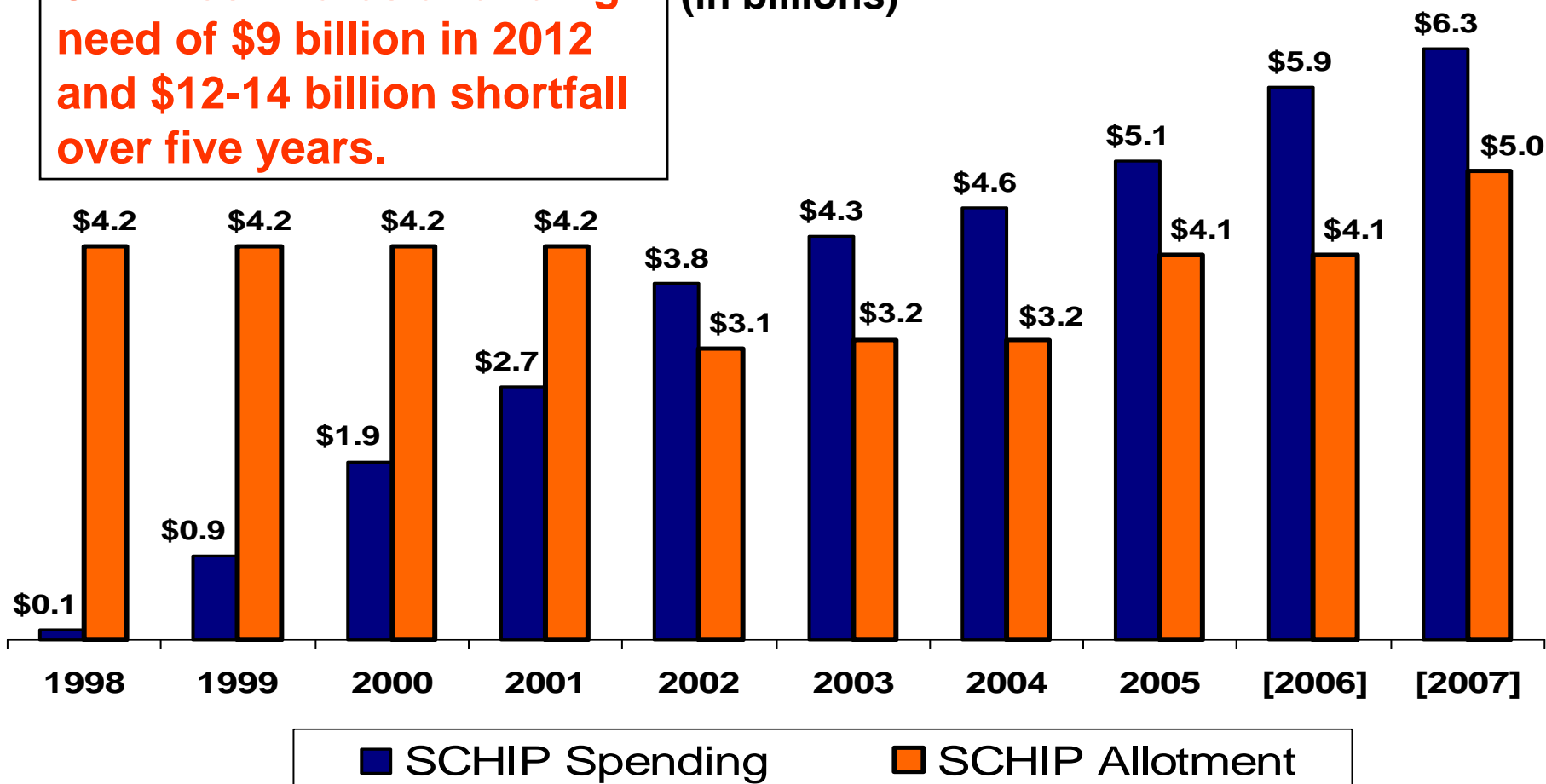
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SCHIP Spending is Rapidly Outpacing New Funds Being Made Available

CBPP estimates a funding need of \$9 billion in 2012 and \$12-14 billion shortfall over five years.

(in billions)



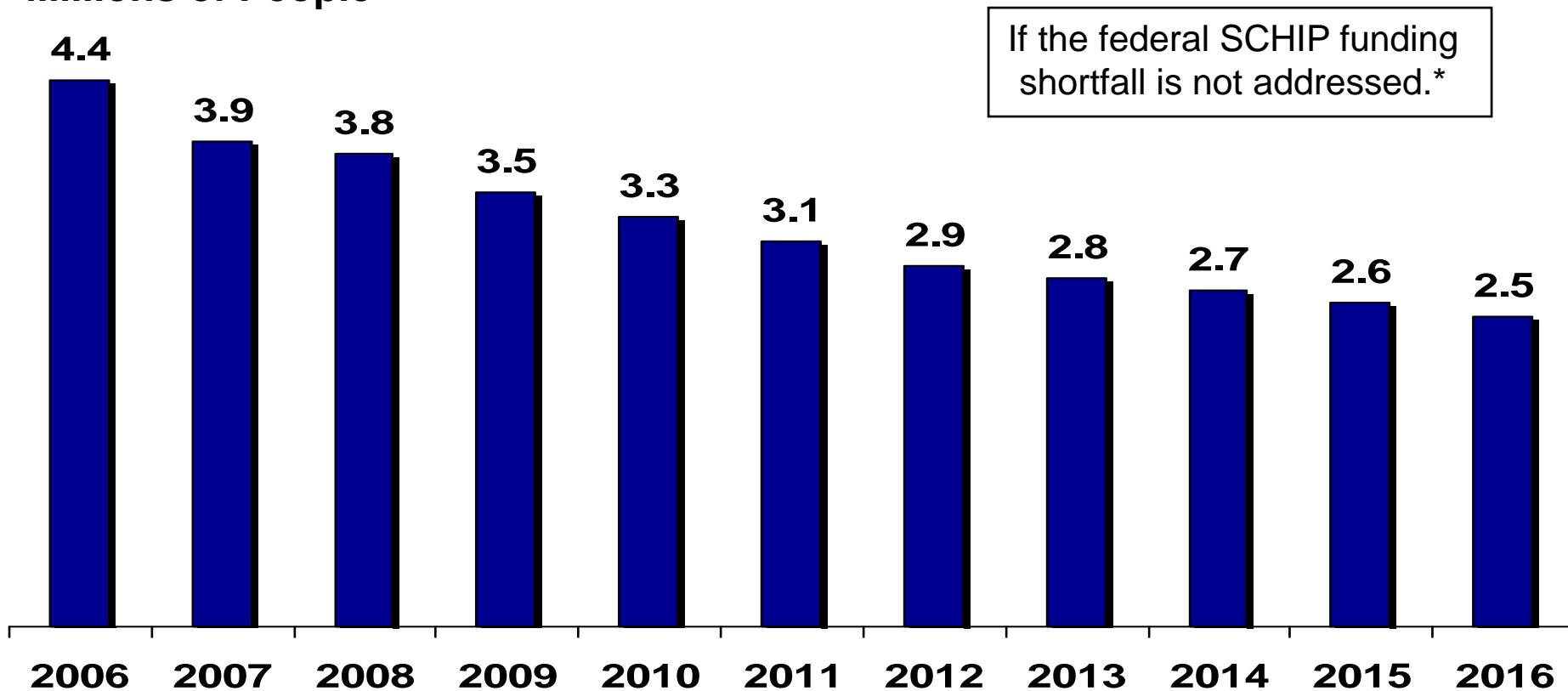
Note: Allotments and spending include states and territories.

Source: Data from Chris Peterson. *SCHIP Original Allotments: Funding Formula Issues and Options*. Congressional Research Service, April 2006. FY2006 and FY2007 spending projections from CMS.



SCHIP Enrollment Projections, 2006-2016

Millions of People



If the federal SCHIP funding shortfall is not addressed.*

* Assumes federal SCHIP allotments remain at \$5 billion after FY 2007.

Source: The Kaiser Commission on Medicaid and the Uninsured. Additional Detail of the FY 2007 Budget from Office of the Actuary at CMS.





States Facing SCHIP Funding Shortfalls

2008: AL, AK, AZ, CA, GA, HI, IL, IA, KS, LA, ME, MD, MA, MI, MN, MS, MO, NE, NJ, NC, ND, RI, SD, WI (24)

2012: AL, AK, AZ, AR, CA, FL, GA, HI, IL, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NJ, **NM**, NY, NC, ND, OH, OK, OR, PA, RI, SD, VA, WV, WI (36)

Source: Moderate-expenditure growth version of the Center on Budget and Policy Priorities SCHIP financing model.

SCHIP Opportunities

- Strong general public support for children's health
- SCHIP has historically had broad bipartisan support
- Clear record of success
- Administration in search of a legacy
- New Congress

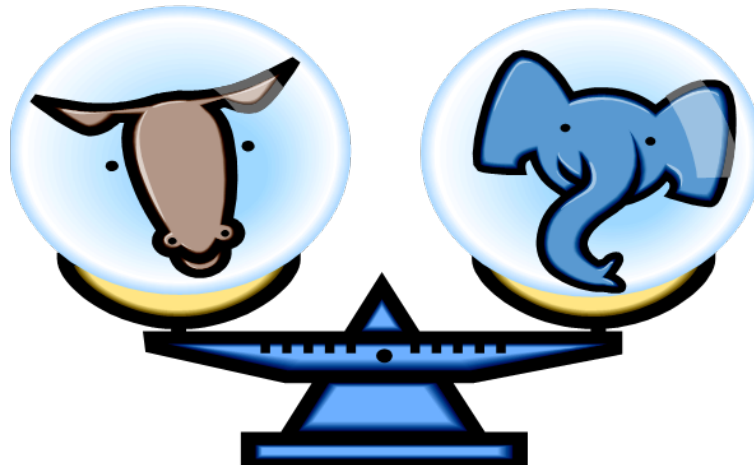


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SCHIP Opportunities: New Congress

- Senate: 51-49 Democratic margin?
- House: Narrow Democratic margin
- Administration: Republican
- New bipartisan opportunity – Democratic progress on children's health and Administration legacy

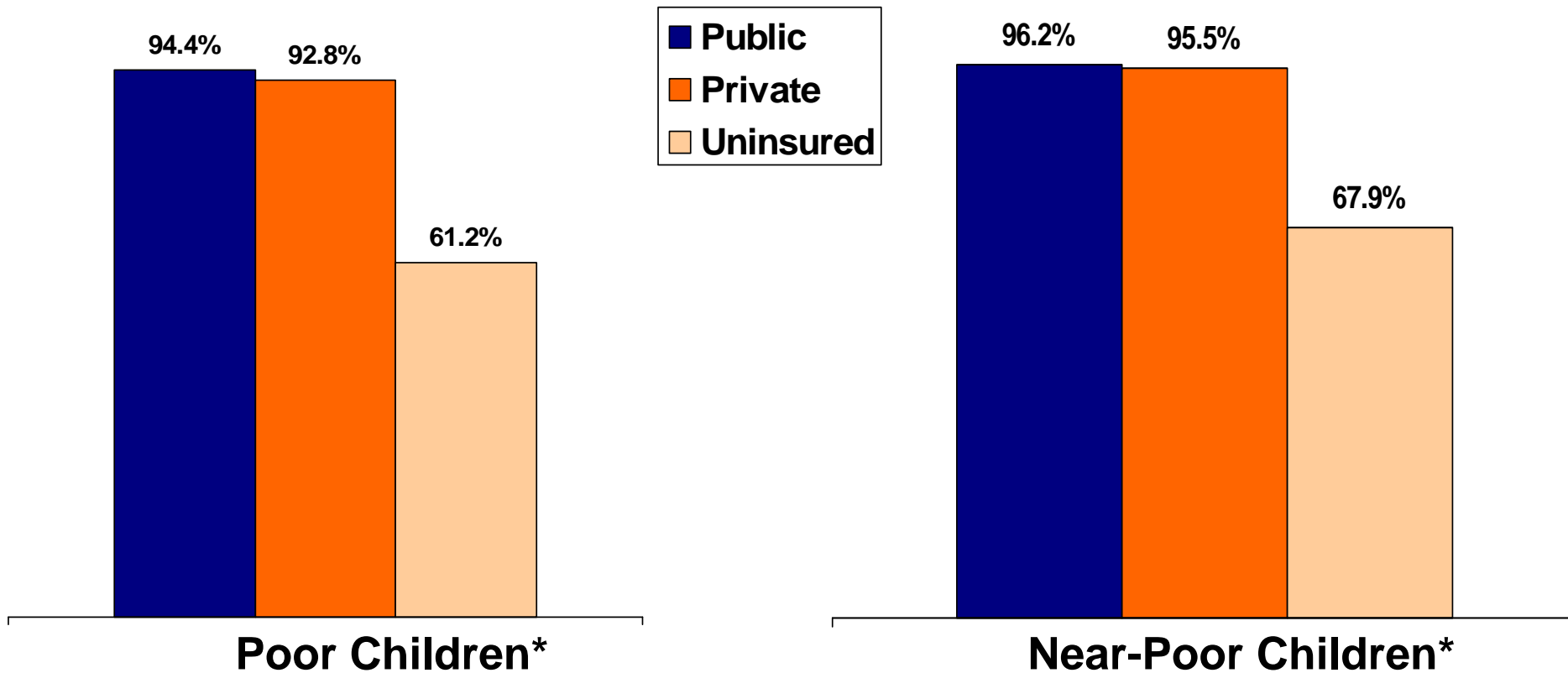


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Medicaid/SCHIP Successes

% of Poor and Near-Poor Children with a Usual Place of Care

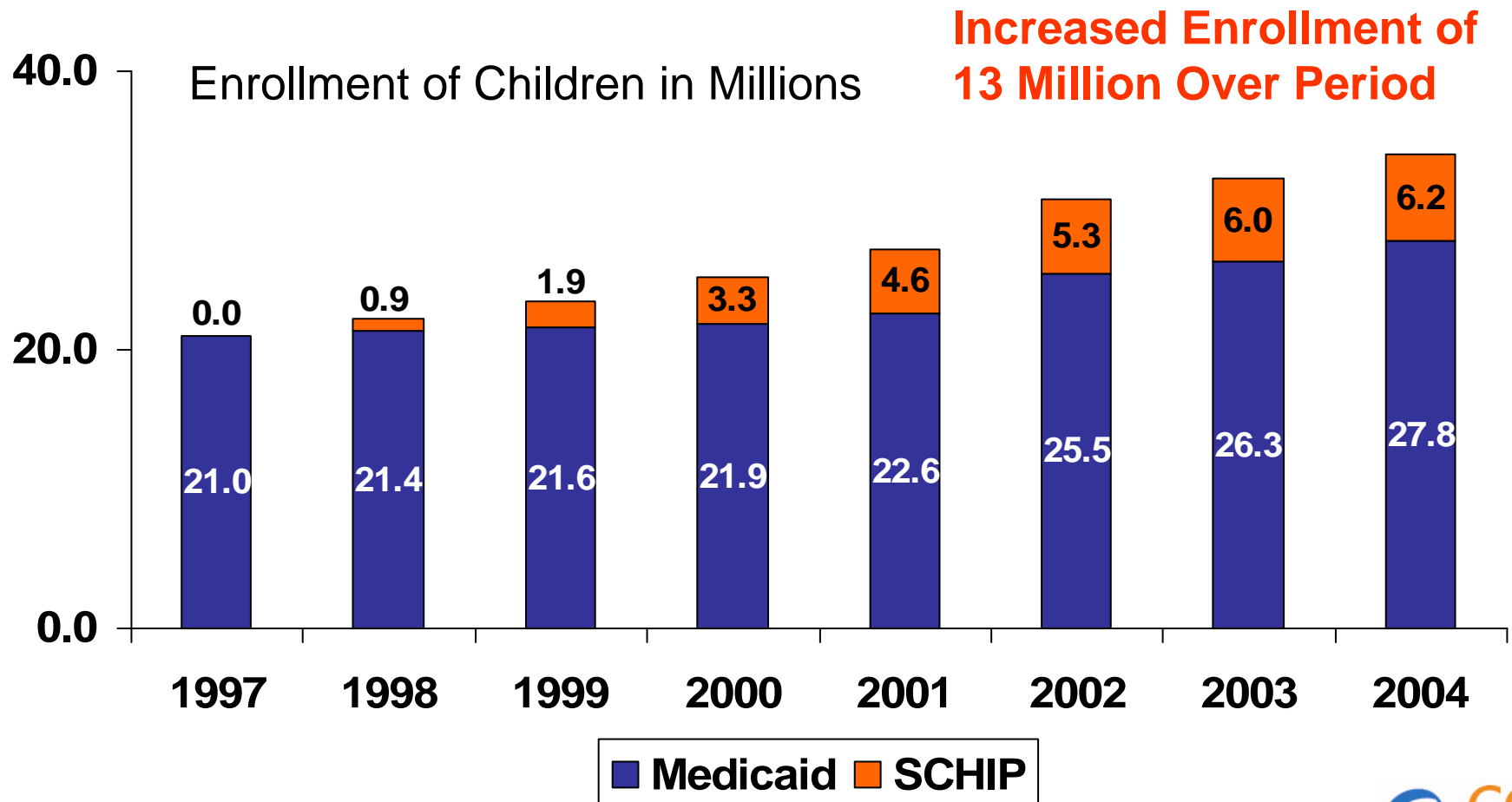


*Poverty status is based on family income and family size using the U.S. Census Bureau poverty thresholds for 2002 Federal Poverty Level (FPL) in 2002 in the 48 contiguous states and the District of Columbia is \$15,020 for a family of three.

Source: National Health Interview Survey, 2003.



Coverage Gains Have Come Equally from Medicaid & SCHIP



Source: Preliminary data. Based on children ever-enrolled over the course of a year.



Children's Enrollment, 2003

- Medicaid: 28 million
- SCHIP: 6 million
 - 1.6 in SCHIP-financed Medicaid expansions
 - 4.4 million in separate SCHIP programs

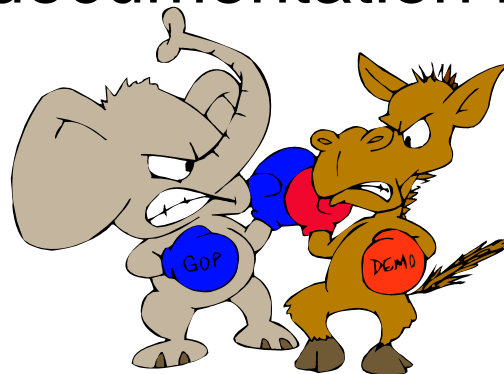


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SCHIP Challenges

- Need 60 votes in the Senate to reauthorize
- Need \$12-14 billion over next five years just for level funding (CRS, CBPP)
- Where does offset come from? Medicaid a possibility
- Concerns about bringing issues such as citizenship documentation into SCHIP



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Policy Battles

SCHIP Funding

- Level of funding for SCHIP
- Funding formula fights
- Source of any funds/offsets

Covered Populations

- Concept of core populations (NM at 235% of poverty)
- Citizenship documentation
- Special groups of children (legal immigrants, children of state employees, pregnant women)
- Coverage of adults (NM waiver)
- 20% states (NM)



Policy Battles (Part 2)

Types of Coverage

- Benefits (HSAs, vouchers, single benefits)
- Employer-sponsored insurance interaction
- Wrap-around coverage (dental, mental health)

Implications for Medicaid

- Looked to for offset?
- Changes in “screen and enroll”?
- Leavitt Medicaid Commission reforms?





Millions of Children are Uninsured

- 8.4 million U.S. children are uninsured
- 2.9 million Hispanic children are uninsured
- 1.6 million African-American children are uninsured

Source: "Going Without: America's Uninsured Children." Report prepared for the Robert Wood Johnson Foundation by the State Health Access Data Assistance Center and the Urban Institute



Consequences of Being Uninsured

- One-third (32.9%) of uninsured children went without any medical care for the entire year
- Uninsured children are less likely than insured children to receive all needed medical care
- Uninsured Hispanic and African American children are less likely to receive medical care than uninsured non-Hispanic white children
- Uninsured kids often do not have a personal doctor or nurse

Outreach and Enrollment/ Simplification

- Bipartisan: Administration's Initiative (\$1 billion in presidential campaign and now \$100 million)
- Frist/Bingaman "Covering the Kids" Legislation
- Lugar/Bingaman "ExpressLane" Enrollment Simplification
- America's Uninsured Kids
 - Medicaid Eligible 49%
 - SCHIP Eligible 19%
 - Not Eligible 32%

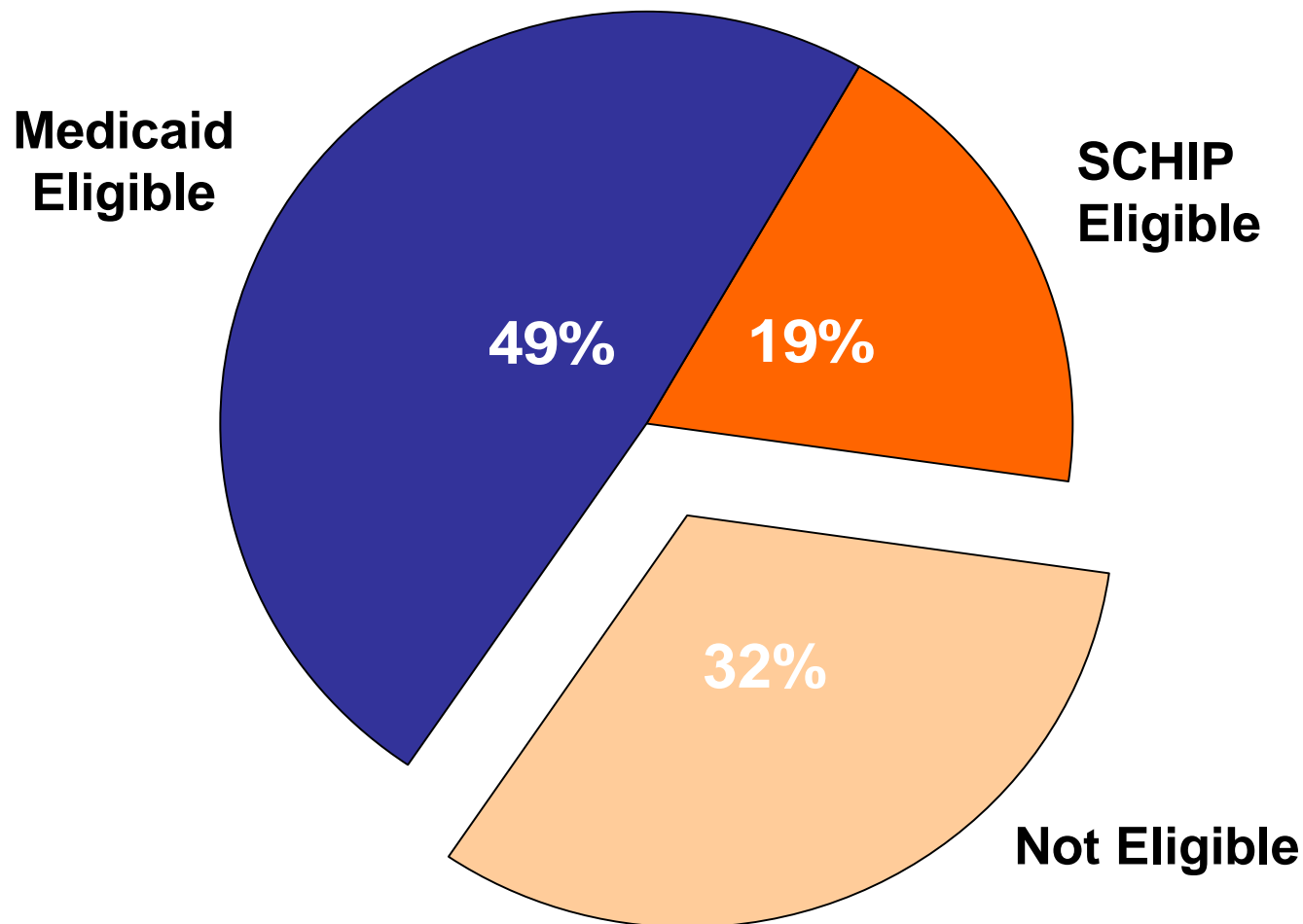
68% of uninsured children eligible but not enrolled
in Medicaid or SCHIP

March 2005, Current Population Survey using July 2004 eligibility rules



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America's Uninsured Children, 2004



It Is All About Priorities



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Major New Mexico Federal SCHIP Issues



- Outreach and enrollment/simplification
- Core populations – could reduce child coverage to 200% of poverty
- Coverage of adults – threats to SCI waiver
- 20% states – recognition that NM expanded coverage prior to SCHIP
- Funding formula



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Contact Information

Bruce Lesley
President
FirstFocus

BruceL@firstfocus.net
703-535-3835 (office)