

NEW FIRST FOCUS REPORT EXPOSES INACCURACIES ON CHILDREN'S HEALTH BILL

Report Empirically Refutes Claims of a Government Takeover of Health Care

For Immediate Release

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ALEXANDRIA, VA – Today, First Focus, a bipartisan children's advocacy organization, released a report analyzing the Congressional proposal to renew the State Children's Health Insurance Program (SCHIP). The report contains a detailed analysis of the claims made by opponents of the bill who have sided with President Bush on his recent veto of the legislation.

The report refutes the major arguments made by opponents of the SCHIP bill and President Bush, based on empirical evidence. Findings include:

- * The vast majority of children covered by SCHIP programs receive healthcare through private health plans and obtain care from private physicians.
- * The bill imposes new duties on states to prevent SCHIP from "crowding out" children from private coverage into government programs. It also gives states new options to enroll children in their parents' dependent coverage at work, thus strengthening rather than undermining private coverage. As a result, the bill's crowd-out rate, as projected by the Congressional Budget Office (CBO), is significantly below the crowd-out rate the Bush Administration anticipated for its own tax credit proposal and less than half the level CBO estimated for Medicare prescription drug legislation.
- * The SCHIP bill would increase federal health care spending by seven-tenths of 1 percent, hardly a massive government expansion.
- * While current law permits states to cover children up to any desired income level, the SCHIP bill, for the first time, imposes limits that will prevent most states from going above 300 percent of the federal poverty level. Moreover, it gives states powerful new financial incentives to enroll the poorest uninsured children. As a result, 70 percent of children newly receiving SCHIP coverage live in the poorest American families – those making \$41,000 or less (200% of the federal poverty level), and 99.95% of all SCHIP children would live below 300% of poverty.

"Any politician or pundit who claims that the SCHIP legislation is a step towards a government takeover of health care should take note of this report's findings," said Bruce Lesley, President of First Focus. "We have empirically set out the realities of the Congressional SCHIP proposal and have found that SCHIP follows the same private-sector model as the Medicare Prescription Drug benefit, but at just one-eleventh of the cost. And, as a capped federal block grant without any individual entitlement or federally-specified benefits package, and with less than half the amount of crowd-out forecast for the prescription drug bill, SCHIP is much less of a government-run program than Medicare. Strangely, 114 Members of Congress – 99 members of the House and 15 members of the Senate – supported the expansion of Medicare in 2003, but opposed SCHIP this year. Why are those Members not willing to do for children what they did for seniors or what they do for themselves on an annual basis through the Federal Employees Health Benefits Program?"

This report comes following a report released by First Focus determining that President Bush's tax proposal would be severely detrimental to American children and families, because it significantly underfunds family coverage in comparison to individual coverage. The report can be accessed at <http://firstfocus.net/pages/3248/>

“Opponents of the bill should explain how they would address the crisis of 9 million uninsured children in America today. Unfortunately, many have cited the President's proposed tax credit idea, which has been shown to be detrimental to children and families,” Lesley added.

The report can be accessed online at:

http://www.firstfocus.net/pages/3297/First_Focus_Report_Exposes_Inaccuracies_on_Children's_Health_Bill.htm

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First Focus is a bipartisan advocacy organization that is committed to making children and their families a priority in federal policy and budget decisions. To learn more visit www.firstfocus.net

First Focus is a national partner of the Maine Children's Alliance, a statewide child advocacy organization in Maine.