

## **Poor Laws for Poor Children (with Peter Siavelis)**

(published in translation in *Que Pasa* November 2007)

*It should have been so easy – resetting a widely respected health program to keep its aims alive in new circumstances. But it has not been. Two Presidential vetoes later, and still the renewal of the State Children’s Health Insurance Program (SCHIP) remains stalled.*

*The original idea was simple. Amid the prosperity of the 1990s, there were too many American children without health insurance, living in households just above the poverty line. (That line is currently, for a family of four, \$20,650.) Below the line, children’s health insurance was covered by Medicaid. Above it, coverage had to come from financially-hard pressed parents often unable to afford the premiums. Hence SCHIP: federal money given in block grant to individual states, to help buy private health insurance for children whose parents earned up to 200% of poverty level income. Passed by a Republican-dominated Congress in 1997, by 2006 SCHIP-funded programs covered over 6 million children in need.*

*Up for renewal in 2007, a Congress now led by Democrats proposed raising the threshold of coverage to more than 200% of the federal poverty level, as 17 states had already done. And for good reasons familiar to us all: soaring health care costs since 1997; significantly fewer people (and so, fewer children) covered by employer-provided insurance; and unusually high living costs in states like New Jersey and California. To meet the original intentions of SCHIP under these new conditions, Congress in August sent to the President a bi-partisan bill that would have extended health insurance coverage to another 4 million children.*

*The President vetoed that bill, and did so with the support of 8 of North Carolina’s Republican representatives. Why? The President initially alluded to his ‘philosophical’ differences with its designers. He said the bill was both fiscally irresponsible and would crowd out private coverage. People buying their own insurance would transfer to the federal scheme, free-riding on already hard-pressed tax payers. Other leading Republicans saw it as the thin end of a wedge that would bring federalized medicine to everyone: one called it ‘a wide open door to socialized medicine’. Even worse, Virginia Foxx told the *Winston-Salem Journal*, illegal immigrants would be covered. So too would the 700,000 middle-class adults already funded by schemes designed ostensibly for children alone. She pledged her support to bills focused solely on poor children, and rejected this one as too wide.*

*Presidential vetoes are not lightly ignored, so the Democrats came back in October with a compromise bill, again passed with overwhelming bipartisan support in both houses of Congress. The new bill addressed Foxx’s concerns. It phased out coverage to adults. It tightened implementation rules to exclude illegal immigrants. It fixed the entitlement threshold at 300% of the federal poverty level. It held the total cost at \$35 billion over 5 years. Still the President vetoed again. Still Virginia Foxx did not switch her vote.*

*So were the blockers right? Does the SCHIP bill threaten us with fiscal irresponsibility, excessive free-riding, and the thin end of a wedge to socialized medicine?*

*No it does not.*

*\* We do face fiscal irresponsibility, but not here. The bill now vetoed would only cost an additional \$15 billion over 5 years. Republican-inspired tax relief on incomes over \$1 million a year, now under review in Congress, will cost \$43 billion in its first year alone!*

*\* The bill will not trigger excessive free-riding. Recent Urban Institute figures show 86% of all SCHIP recipients lacking private insurance before joining the scheme. Even the Congressional Budget Office reckons that two-thirds of all new recipients are likely to be drawn from the ranks of the uninsured.*

*\* Nor will socialized medicine creep in by the backdoor of SCHIP reform. Through Medicare and Medicaid, federal and state taxes already provide over 40% of all medical funding in the United States, all handed over to private insurance companies, hospitals and doctors. SCHIP changes none of that.*

*What we do face is Republican ideology run amok – conservative intransigence trumping children's needs.*

*Times are hard right now, even for families earning four times poverty-level income. The number of uninsured children in such families rose by 300,000 in 2006 alone. The CBO estimates 9 million American children remain without health coverage, and that one-third of those would be covered by the legislation now vetoed. That veto hits those children hard, and Latino children harder than most.*

*Yet again, the party of states rights and family values is busy undermining the families and state autonomy that Republicans claim to privilege. Hard-pressed North Carolinians need to ask Virginia Foxx and her colleagues two simple questions. Are your children covered? If they are, why should ours not be covered also?*