

Despite Congressional Fix, SCHIP Faces Shortfalls

BY ALICIA AULT

Associate Editor, Practice Trends

Stopgap funding passed at the end of the last Congress may not be enough to keep the State Children's Health Insurance Program afloat until its expected reauthorization this year, experts said in interviews with INTERNAL MEDICINE NEWS.

The program, commonly called SCHIP, was established in 1997 and funded with a 10-year, \$40 billion allotment beginning in fiscal 1998. But that money has dwindled as states enrolled more children, according to advocacy group Families USA.

Under the law, money can be redirected from one state's surplus to plug another's deficit. In December, the 109th Congress voted to redistribute about \$219 million in funds, which will go to Alaska, Georgia, Illinois, Maryland, Massachusetts,

'States may begin to run out of funds and may be forced to reduce enrollment, curtail benefits, increase patient fees, or reduce provider payments.'

Minnesota, Nebraska, New Jersey, and Rhode Island, according to an analysis by the Washington, D.C.-based Center for Budget and Policy Priorities.

Those states were expected to face shortfalls first, but eight others—

Iowa, Louisiana, Maine, Mississippi, Missouri, North Carolina, South Dakota, and Wisconsin—also are looking at a deficit.

Since they did not get the stopgap help, these states are now facing even bigger funding gaps than had been projected, according to the CBPP analysis. Those eight states may just be the tip of the iceberg.

"Congress is currently estimating that 14 states are projected to have insufficient federal SCHIP funds in fiscal year 2007," Dr. Jay E. Berkelhamer, president of the American Academy of Pediatrics, said in a statement.

"This latest action is a down payment on the problem, and gives Congress time to consider more comprehensive solutions in the reauthorization process."

The stopgap funding will likely only buoy the program until May, at which point "some states may begin to run out of funds and may be forced to reduce enrollment, curtail benefits, increase patient fees, or reduce provider payments," Dr. Berkelhamer said.

The AAP, the March of Dimes, and the National Association of Children's Hospitals are urging Congress to increase SCHIP funding for the program to cover more children.

"According to the Current Population Survey, 49% of all uninsured children are eligible for Medicaid and 19% are eligible for SCHIP," Dr. Jennifer L. Howse, president of the March of Dimes, said in a statement. "States must be given the tools and resources needed to enroll all eligible children in both programs."

And the groups said they will push to

ensure that quality of care gets attention in the next incarnation of SCHIP.

"There's been little federal investment in quality and performance measures for children's health care," Lawrence A. McAndrews, president and CEO of the National Association of Children's Hospitals, said in a statement.

Most advocates believe that Congress will reauthorize the program.


By most measures, SCHIP has been a success. From 1997 to 2005, the percentage

of uninsured children dropped from 22% to 15%, according to a report by the Georgetown University Health Policy Institute's Center for Children and Families. The gain for children came mostly through public coverage such as SCHIP and Medicaid.

Of 88 million children under age 19, 63%, or 55.5 million, are covered by employer-based plans. About a quarter, or 22 million, have insurance through SCHIP or Medicaid. About 6 million have only SCHIP coverage.

Nationally, 9 million children are still uninsured. Many are eligible for Medicaid or SCHIP, according to the report.

Some House and Senate members have said they want to see more eligible children enrolled before they massively expand SCHIP. Sen. John Kerry (D-Mass.) plans to reintroduce his legislation, S.114, which was introduced in 2005 and called for coverage of all children. That bill may receive more attention under a Democratic-controlled Senate. ■



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