



For Immediate Release  
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**IMPROVED CHILDREN'S HEALTH INSURANCE PROGRAM ADVANCES  
AS SENATE FINANCE COMMITTEE APPROVES COVERAGE FOR KIDS**

*Plan providing doctor's visits, medicines to millions of uninsured kids heads to Senate floor*

**Washington, DC** – By a vote of 12 to seven, the Senate Finance Committee today approved a proposal by Chairman Max Baucus (D-Mont.) to renew and expand the Children's Health Insurance Program (CHIP). The Children's Health Insurance Program offers health insurance to children living in families not poor enough for Medicaid, but still unable to afford private health insurance. The Congressional Budget Office said that Baucus's proposal, as originally presented to the Committee, would preserve coverage for as many as 6.7 million children enrolled in the Children's Health Insurance Program and provide coverage to 3.9 million additional uninsured, low-income American children. Amendments added to the legislation today will increase the number of low-income, uninsured children receiving health care.

Also by a vote of 12 to seven, the panel approved an amendment by Sen. Jay Rockefeller (D-W.Va.), Sen. Olympia Snowe (R-Maine), Sen. Jeff Bingaman (D-N.M.), and Sen. John Kerry (D-Mass.) allowing coverage for low-income, uninsured, legal immigrant children who have been in the U.S. fewer than five years, and for low-income, uninsured, legal immigrant women who are pregnant and have been in the U.S. fewer than five years. A subsequent amendment by Sen. Chuck Grassley (R-Iowa) requires regular re-verification of legal status. An amendment by Senator Snowe will allow children lacking dental coverage in their own health insurance to receive dental benefits through CHIP.

Additional amendments from Democratic and Republican Senators were accepted into the Chairman's Mark prior to today's meeting, and a list of those amendments is attached. The full legislation as approved by the Committee now moves to the full Senate for approval.

**"The Children's Health Insurance Program has a long history of getting millions of uninsured, low-income kids the doctor's visits and medicines they need to stay healthy,"** said Baucus. **"By voting to renew and improve CHIP today, the Finance Committee put millions more kids from low-income, working families one step closer to decent, dependable health care. Expansion of the Children's Health Insurance Program is an early priority in the 111<sup>th</sup> Congress because millions of uninsured kids have been waiting too long. I look forward to voting for the final passage of this bill on the Senate floor and watching President Obama sign this monumental legislation."**

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In 2007, Baucus, Grassley, Rockefeller, and Sen. Orrin Hatch (R-Utah) wrote and twice led the passage of legislation to renew the Children's Health Insurance Program and provide health coverage to as many as 10 million low-income, uninsured American children. However, President George W. Bush twice refused to sign the Children's Health Insurance Program bills. The bill passed by the Finance Committee today closely reflects the 2007 bills (HR 976 and HR 3963) approved overwhelmingly by the Senate and by the full Congress. Key elements include:

- State allotment formula improved to reflect actual projected spending in CHIP
- Funding for outreach and enrollment efforts
- Bonus payments to states for enrolling lowest-income children for health coverage
- Contingency fund to protect states from shortfalls in unforeseen emergencies, and to provide bonus funding for enrollment of lowest-income children for health coverage
- Coverage for children in families above 300 percent of Federal poverty level will receive Medicaid match rate, rather than higher CHIP funding
- States can use information from food stamp programs and other initiatives for low-income families to find and enroll eligible children
- Improved premium assistance policies
- Options to cover pregnant women for the prenatal care vital to healthy newborn children
- Funds for existing coverage of low-income parents will transition to a lower Federal matching rate
- Childless adults will be moved out of CHIP
- New waivers for additional adult coverage in CHIP will not be permitted
- Improved pediatric quality measures for CHIP and Medicaid

Specific changes from 2007 CHIP legislation in the original Chairman's mark included:

- Funding of \$31.5 billion above the baseline, changed from \$35 billion in 2007 to reflect budgetary changes.
- Reauthorization for a period of four and a half years (through September 2013) rather than five years as proposed in 2007. This will harmonize CHIP authorization with the Federal fiscal year.
- Changes to bonus structure, making the larger of two levels of bonus payments (15 percent and 62.5 percent) available to states once Medicaid enrollment levels reach 10 percent above target, rather than three percent in 2007 legislation.
- Slight revisions to tobacco tax increases in the bill.

Congress decided at CHIP's creation in 1997 that taxes on tobacco products were an appropriate offset for a program intended to improve the health of low-income children across the country. The 2007 CHIP bills passed by overwhelming margins in the Senate followed that precedent. The proposal approved by the panel today still funds investment in the Children's Health Insurance Program with a 61-cent-per-pack increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

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The Chairman's proposal passed today also retains 2007 bipartisan provisions including funding for additional outreach efforts for Native American children, streamlining the Medicaid enrollment process for children living in poverty, and giving states the option of documenting an applicant's citizenship at application or following up by confirming through the applicant's Social Security number.

Current authorization for the Children's Health Insurance Program expires on March 31. The bill approved by the Finance Panel today is expected to be considered by the full Senate this month so that final legislation may be negotiated with the House of Representatives. President-Elect Barack Obama has said that once in office, he intends to sign into law legislation extending the Children's Health Insurance Program to millions more low-income, uninsured American children.

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**Modifications to the Chairman's Mark of  
The Children's Health Insurance Program Reauthorization Act of 2009**

**Changes to the Original Chairman's Mark prior to today's business meeting:**

**To correct a drafting error in Section 203: the State Option to rely on funding for an Express Lane Agency to conduct simplified eligibility determinations.**

On page 19 of the Mark:

- Strike “Demonstration” on line ten of the fourth paragraph.

**To correct a drafting error in Section 401: the Child health quality improvement activities for children enrolled in Medicaid or CHIP.**

On page 27 of the Mark:

- Strike “A total of \$45 million” on line six of the first paragraph.
- Replace with “\$45 million in each of five years”.

**To Accept Rockefeller Amendment #5:**

- Strike the GAO study regarding Federal funding under Medicaid and CHIP to the territories required in Section 109 of the Chairman's Mark.

**To Accept Grassley Amendment #12:**

Add to **Section 104**, a prohibition on bonus payments for children who are only presumptively eligible (under Section 1920A of the Social Security Act) until those children are formally approved for Medicaid coverage.

**To Accept Grassley Amendment #26:**

Add a new section, **Section 617**, in **Title VI, Subtitle B**, that requires a GAO study analyzing the extent to which State payment rates for Medicaid managed care organizations are actuarially sound.

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**To Accept Stabenow-Lincoln Amendment #1:**

Add to **Section 505** a definition for a “school-based health center”. That definition is: a health clinic located in or near a school facility of a school district or board or of an Indian tribe or tribal organization; organized through school, community, and health provider relationship; administered by a sponsoring facility; provides through health professionals primary health services to children in accordance with state and local law, including laws relating to licensure and clarification; and satisfies such other requirements as a state may establish for the operation of such a clinic. A sponsoring facility would include a hospital; a public health department; a community health center; a non-profit health care agency; a school or a school system; or a program administered by the Indian Health Service or the Bureau of Indian Affairs or operated by an Indian tribe or tribal organization.

**To Accept with Modification Rockefeller Amendment #4 and Grassley Amendment #28:**

Add a new section, **Section 506**, to **Title V**, establishing the Medicaid and CHIP Payment and Access Commission (MACPAC) to review and assess Medicaid and CHIP payment policies, the interaction of these payment policies with health care delivery and other policies relating to access to covered items and services. MACPAC will make recommendations to Congress on improvements in access to care in Medicaid and CHIP.

Additionally, the Secretary of Health and Human Services in consultation with the Secretary of Treasury and the Secretary of Labor, as well as the states, shall submit an annual report to Congress regarding the financial status, enrollment, and spending trends of the Medicaid program.

**To correct a drafting error in Section 103 and Section 104: the Child Enrollment Contingency Fund, and the CHIP Performance Bonus Payment to Offset Additional Enrollment Costs Resulting From enrollment and Retention Efforts.**

On page 8 of the Mark:

– Strike the third paragraph, “The target average number of child enrollees for a state for FY2009 would be the monthly average enrollment in FY2007 plus child population growth plus four percentage points. For FY 2010, 2011, and 2012, the target average number would be the prior year’s amount increased by the state’s child population growth plus 3.5 percentage points for FY 2013, 2014, and 2015, the target average number would be the prior year’s amount increased by the state’s child population growth plus 3 percentage points. The projected per capita expenditures for FY2009 would be the expenditures for CHIP children in FY2008 increased by the percentage increase projected for per capita National Health Expenditures for 2009. For later fiscal years, the projected per capita expenditures would be the prior-year amounts increased by the percentage increased projected for per capita National Health Expenditures for that year.”

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On page 9 of the Mark:

– Strike the third paragraph, “For FY2009, the Medicaid bonus baseline would be equal to the average monthly number of children in 2008, increased by child population growth rate for the state plus one percentage point. For subsequent years, the Medicaid bonus baseline would be the prior year’s amount increased by child population growth rate for the state plus one percentage point.”

– Replace the third paragraph with, “The target average number of child enrollees for a state for FY2009 would be the monthly average enrollment in FY2007 plus child population growth plus four percentage points. For FY 2010, 2011, and 2012, the target average number would be the prior year’s amount increased by the state’s child population growth plus 3.5 percentage points for FY 2013, 2014, and 2015, the target average number would be the prior year’s amount increased by the state’s child population growth plus 3 percentage points. The projected per capita expenditures for FY2009 would be the expenditures for CHIP children in FY2008 increased by the percentage increase projected for per capita National Health Expenditures for 2009. For later fiscal years, the projected per capita expenditures would be the prior-year amounts increased by the percentage increased projected for per capita National Health Expenditures for that year.”