

NPR Report 12/19/2007

Democrats Suffer Loss as House Extends SCHIP

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All Things Considered, December 19, 2007 · The Democratic-led Congress on Wednesday officially waved the white flag of surrender on its top domestic issue: the State Children's Health Insurance Program, or SCHIP. Eleven months and two presidential vetoes after vowing to expand its reach, the House instead passed and sent to President Bush a bill that will essentially continue the program in its current form until 2009.

Democrats had little choice in the matter. With Christmas fast approaching, they were in a fix. They had two health funding emergencies. First, temporary funding for SCHIP — whose authorization technically expired Oct. 1 — was about to run out once again. Second, on Jan. 1, a 10 percent cut in pay to doctors under Medicare was set to take effect — something Democrats, Republicans and the Bush administration agree shouldn't be allowed to happen.

But President Bush and Republicans had nixed most of the ways Democrats wanted to pay for either the Medicare changes or the SCHIP expansion. That basically gave Republicans the upper hand, and left the majority Democrats with little more to do than fume.

"What we have before us gives the lowest common denominator a bad name," said Rep. Pete Stark (D-CA), chairman of the House Ways and Means health subcommittee. "It shows the Republicans in their truest form: Help the rich at the expense of the poor and deny government services to anyone and only help the profit industries who pay them so generously through their campaign contributions."

And, adding insult to injury, Republicans insisted on continuing SCHIP at its current funding levels not just until September — as Democrats had wanted — but until March 2009, four months after the November 2008 elections.

"I think this 18-month extension gives us the time we need to make SCHIP an even better program," said House Republican Whip Roy Blunt. "It extends the current program. It increases funding for the current program. It helps the states that have a shortfall."

Nearly half of the states would suffer such funding shortages, according to the Congressional Research Service. It calculated that 21 states will run out of money under the current funding formula by September; 10 of them by March. So the bill includes \$800 million for those states.

But that doesn't mean that every child now enrolled in SCHIP could stay on the program; the bill doesn't cancel controversial Bush administration eligibility rules issued last August.

As a result of those rules, "if you live in 14 states in the U.S. ... kids in those states will actually come off the rolls in August," said Rep. Rahm Emanuel (D-IL). "The governors will have to begin to develop plans to notify kids and their parents."

But Emanuel says that may not be such a bad thing for the Democrats, particularly when children start getting bumped off the program.

"August '08 is two months before the election, and I don't think that's a problem," he said. "As a matter of fact, we can't protect the American people from the consequences of the president's decision and a number of Republicans to stand by him. We did right, there was a bipartisan bill to resolve a major problem and give 10 million children health care. We didn't accomplish it. We'll be back. And we'll get it done."

The SCHIP debate, however, might not be over just yet. Congress will be forced to pass yet another health funding bill by next June, because the Medicare doctor payment fix they just passed lasts only six months. And some Democrats say they may try to bring back the SCHIP issue then.