



FIRST FOCUS

MAKING CHILDREN & FAMILIES THE PRIORITY

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July 17, 2007

The Honorable Max Baucus
U.S. Senate
Washington, DC 20510

The Honorable Charles Grassley
U.S. Senate
Washington, DC 20510

The Honorable John D. Rockefeller, IV
U.S. Senate
Washington, DC 20510

The Honorable Orrin Hatch
U.S. Senate
Washington, DC 20510

Dear Senators Baucus, Grassley, Rockefeller and Hatch:

I am writing on behalf of First Focus, a bipartisan advocacy organization committed to making children and their families a priority in federal policy and budget decisions, to express our support for a strong State Children's Health Insurance Program (SCHIP) reauthorization this year. As an organization committed to ensuring that all of our nation's children have access to affordable health coverage, First Focus is committed to ensuring that at least half of our nation's uninsured children are covered through the reauthorization process with \$50 billion in funding over five years, as this level of funding represents just one-third of one percent of the federal budget.

It should be noted that federal domestic spending on children has declined by 23 percent since 1960 and SCHIP represents an important and unique opportunity for Congress to ensure children are getting their fair share of the federal budget. As an example, \$50 billion over five years for children's health coverage is equivalent to less than a year of spending under the Medicare prescription drug benefit approved by the Finance Committee just a few years ago.

Furthermore, the American public strongly supports coverage for low-income children. A recent CBS News/New York Times Poll found that 84 percent of Americans support covering *all* children. With SCHIP reauthorization, Congress can make significant strides in this direction. While First Focus recognizes that the current political and budgetary environment may prevent us from reaching this common goal, we believe there is sufficient support in Congress from members on both sides of the aisle to secure coverage for at least half of the nation's uninsured children. This is a far cry from universal coverage and it is what we should do for our nation's children.

Leading up to the release of the Finance Committee's SCHIP Mark, First Focus expressed grave concerns about where reauthorization was heading, particularly in light of the President's position on SCHIP. And, while we remain concerned and disappointed that only \$35 billion is being provided, we are grateful to the Committee for the improvements that would be made to the health and well-being of children as a result of the Chairman's Mark.

Most notably, we appreciate the provisions that would:

- Provide \$400 million committed to outreach and enrollment. We believe it is time to live up to the President's own 2004 campaign promise in which he said, "We'll keep our commitment to America's children by helping them get a healthy start in life. I'll work with governors and community leaders and religious leaders to make sure every eligible child is enrolled in our government's low-income health insurance program. We will not allow a lack of attention, or information, to stand between millions of children and the health care they need." We commend the Committee for including this important and significant initiative in the Mark.
- Offer incentive payments to states to encourage additional enrollment of eligible low-income children for both Medicaid and SCHIP.
- Make changes to the citizenship and identify documentation requirements that have, tragically, fallen most heavily and negatively upon low-income American citizen children.

Among these three provisions, we are pleased to see that the Congressional Budget Office estimates 3.3 million currently uninsured children would obtain health insurance coverage by 2012, but we urge the Committee to continue working toward the goal of reaching at least half of the nation's uninsured children over the next five years.

First Focus also supports the provision in the Mark to cover pregnant women, which will help ensure that more of our nation's children have a healthy start in life, hopefully helping to reverse the recent increase in infant mortality that has been seen in areas across this country.

For these reasons, First Focus strongly supports this legislation moving forward in the congressional process and we applaud you for your hard work in getting it to this point.

At the same time, however, we are concerned that the Mark underfunds the program in the out-years, raising serious questions about the long-term sustainability of SCHIP. We also hope that, as the mark-up process moves forward, two provisions that were included in the Mark will be reconsidered, including:

- The provision to lower the matching rate for children in families above 300 percent of poverty, as it creates financial disincentives for states to "cross the finish line" in terms of covering all children in their state. In light of the fact the federal government is clearly not going to set up the system to ensure every child has health insurance coverage in the near future, we urge the federal government to at least not lay down any barriers or disincentives for states to do so.
- The provision that halts SCHIP coverage of parents, as evidence shows that coverage of parents improves access to health care services for children. While we do not support making the coverage of parents a direct state option, we do support allowing waivers for parental coverage that show that children's coverage has met certain benchmarks in a state and that will improve health outcomes for children.

In addition to striving to cover at least half of all uninsured children, First Focus hopes to see other improvements in the legislation as the process moves forward, including:

- Express Lane Eligibility, which allows states to adopt simplified enrollment processes to determine a child's eligibility for Medicaid or SCHIP by targeting children who are enrolled other public programs with similar income-eligibility requirements, e.g. the National School Lunch Program, WIC, food stamps, and child care programs.

- Adding a new requirement to make dental services a guaranteed benefit and allowing SCHIP to act as a wrap-around secondary payer for dental services under SCHIP, just as in Medicaid and Medicare. The inclusion of this provision would be an important tribute to the sacrifice of Deamonte Driver, a Maryland child who died earlier this year because he lacked access to dental care.
- Expanding coverage at state option to allow coverage for legal immigrant children.

We are sincerely thankful for your hard work, particularly the rather incredible set of provisions that your staff has put together within the serious funding constraints they were given. We welcome the opportunity to work with you in the coming weeks to achieve our common objective, improving the health of our nation's most precious resource, our children.

Sincerely,

A handwritten signature in blue ink that reads "Bruce Lesley". The signature is written in a cursive, slightly slanted style.

Bruce Lesley
President