
Iowa Fiscal Partnership

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Deadline Looms for SCHIP Legislation Governor Signs Letter Seeking Resolution of Kids' Health Care Issue

IOWA CITY, Iowa (Wednesday, Sept. 19, 2007) — Congressional negotiations in Washington hold the key to health-insurance coverage for thousands of Iowa children as the clock winds down on funding for the State Children's Health Insurance Program, or SCHIP.

SCHIP assures health coverage to over 37,000 Iowa children, a figure that could grow markedly under House- and Senate-passed proposals that would increase funding by \$35-50 billion over five years. As negotiations proceed, the White House is threatening a veto that could jeopardize both expansions and existing coverage. The Bush administration also has issued new rules that significantly limit states' flexibility to govern their programs.

"If Congress does not settle the SCHIP funding issue before Oct. 1, Iowa state officials may need to start examining their own options," said Charles Bruner, executive director of the Child & Family Policy Center in Des Moines. "But even though Iowa has committed to moving forward, it requires Congress and the president to affirmatively act.

"SCHIP is an enormously successful bipartisan solution to health-care access for kids in this country. Time is running out. Failure to resolve this issue would risk the health of millions of children nationally."

The nonpartisan Congressional Research Service, the research arm of Congress, reported this week that Iowa and 12 other states would face immediate funding shortfalls in October without action in Congress, and four more states by the end of October would be in the same situation.

"In Iowa, the Legislature and the Governor know health care for Iowa's kids is a priority," said David Osterberg, executive director of the nonpartisan Iowa Policy Project. "While Iowa's leaders have shown their commitment to children's health care, they need the federal government to do its share."

Key Numbers on SCHIP and *hawk-i*

■ Estimates vary on uninsurance levels for Iowa children; Census data in August put that figure at 44,000 for 2006. Iowa Department of Human Services has estimated that almost three-fourths of uninsured kids are eligible but not receiving public services such as Medicaid and *hawk-i*.

■ About 37,000 Iowa children receive health coverage as a result of SCHIP — almost 22,000 through *hawk-i*, and over 15,000 through a SCHIP-funded expansion of Medicaid, as of July.

■ According to the Congressional Research Service, Iowa is projected to be short \$69.17 million in FY2008, with no leftover funds from this year or last year, as several states have.

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Talks are under way to resolve House and Senate differences on the scope and means of funding an expansion of SCHIP, which funds the Healthy and Well Kids in Iowa, or *hawk-i*, program for children in families who have too much income to be eligible for Medicaid, but not enough to be able to afford private insurance.

Over 37,000 children in Iowa receive health insurance as a result of SCHIP. Estimates of uninsured children vary, but recent census data indicate another 44,000 Iowa children are going without insurance.

“The Governor and General Assembly provided funding to cover one-quarter of these uninsured children this year and to work toward covering all uninsured children within four years, but this requires that Congress and the President provide matching support under SCHIP, which makes reauthorization of at least the \$35 billion level critical to our state,” Bruner said.

Iowa Governor Chet Culver joined 29 other governors in signing a letter spearheaded by Governor Arnold Schwarzenegger of California and Governor Eliot Spitzer of New York to seek a reversal of new restrictions on SCHIP.

The governors’ letter, dated Monday and addressed to Health and Human Services Secretary Michael Leavitt, states that new SCHIP guidelines unduly restrict state flexibility and “could result in hundreds of thousands of children and tens of thousands of adults losing health insurance.”

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The Iowa Fiscal Partnership (IFP) is a joint initiative of two nonpartisan, nonprofit Iowa-based organizations, the Iowa Policy Project in Iowa City/Mount Vernon, and the Child & Family Policy Center in Des Moines. IFP reports are on the web at www.iowafiscal.org. The home websites of the two IFP partners are www.cfpciowa.org and www.iowapolicyproject.org.