SCHIP Gets Extension to April 2009

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After months of debate and two presidential vetoes, Congress voted to extend the State Children's Health Insurance Program to April 2009. President Bush signed the legislation on Dec. 29.

The SCHIP extension is included in a bill that also addressed Medicare physician reimbursement, payments for Part B drugs, lab tests used by diabetics, and long-term care hospitals.

Authorization for SCHIP expired Sept. 30. The program continued to operate through two continuing resolutions that kept the entire federal government funded until mid-December while lawmakers and the President wrangled over a 5-year reauthorization.

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The showdown ended in late December when the Senate and House both agreed to a stripped-down version of the Democrats' wish list. Congress voted to allocate enough federal funds to keep SCHIP enrollment at 2007 levels—or about 6 million children and adults—through March 31, 2009. Democrats have sought to broaden SCHIP to cover 10 million children.

And the bill provided enough funding to keep programs afloat in a handful of states that were facing budgetary shortfalls.

Democrats and child advocates were relieved that the program was at least extended temporarily, but many expressed concern about SCHIP's future. House Speaker Nancy Pelosi issued a statement noting that the bill "does not make headway in reducing the number of uninsured."

Sen. Charles Grassley (R-Iowa) said that although the original bill was passed unanimously in the Senate, he knew that the bill fell short of what many in Congress were hoping for.

The SCHIP package did not—as Democrats wanted—reverse a directive issued by the Centers for Medicare and Medicaid Services last August. States were notified that if they were raising eligibility for children whose family incomes were equal to or above 250% of the federal poverty level, they would have to meet stringent new requirements. Primarily, states would have to prove that 95% of eligible children—those at 250% of poverty—were enrolled. The goal: to ensure that these families are not opting for SCHIP instead of private insurance.

States must meet that target by August 2008. Fourteen states already cover children above 250% of poverty, and 10 more had plans to expand eligibility above that level. ■