

# Senate Committee Dubious About Expansion of SCHIP

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WASHINGTON — As a Senate panel opened debate on reauthorization of the State Children's Health Insurance Program, legislators had doubts about expanding coverage to an estimated 9 million children who are eligible but who have not yet been enrolled.

SCHIP is due to expire on Sept. 30, but most states have been straining in the last few years to pay for children already covered by the program, several witnesses said at a meeting of the Senate Finance Committee.

Members of the committee also acknowledged that reality.

"Congress has simply not given [SCHIP] enough funds to meet the current demand for services," said committee chair Max Baucus (D-Mont.), who estimated that the program would need \$12 billion-\$15 billion over the next 5 years to maintain current coverage and \$45 billion to bring all eligible children into SCHIP.

A last-minute deal signed into law at the end of 2006 allocated \$271 million to cover anticipated shortfalls for a dozen or so states, but at least 14 more states will run out of SCHIP funds for fiscal 2007 if Congress does not enact another bailout by mid-May, Sen. Baucus said.

In 2007, states will spend an estimated \$6.3 billion on SCHIP, but only \$5 billion has been allotted, said Cindy Mann, executive director of the Georgetown University Center for Children and Families. Without an influx of federal cash, 37 states will run out of money this year, Ms. Mann testified to the Finance Committee.

As of fiscal 2005, SCHIP had 6 million enrollees, according to a Government Accountability Office (GAO) report released at the Finance Committee hearing. Enrollment grew fastest during the early years of the program and leveled off more recently.

Georgia Gov. Sonny Perdue testified that enrollment in his state increased by an average of 19% per month since June 2005. About 273,000 children are covered in Georgia, making it the country's fourth-largest SCHIP program, he said. The Centers for Medicare and Medicaid Services had projected that only 130,000 children would be eligible in Georgia, he said.

Some senators questioned whether states' flexibility should be reined in, saying that some initiatives might be diluting the program's intent. Generally, federal law allows states to cover children in families with incomes up to 200% of the poverty level or 50 percentage points above the Medicaid eligibility standard as of 1997. According to the GAO report, seven states were covering families with incomes at 300% of the poverty level or higher. Thirty-nine states require some cost sharing by families, but 11 states charge no premiums or copayments.

Fifteen states cover adults—generally parents of Medicaid- or SCHIP-eligible children, pregnant women, or childless adults. The Health and Human Services department has granted waivers for those states, said Kathryn G. Allen, director of health care at the GAO.

Sen. Charles Grassley (R-Iowa), ranking minority member of the Finance Committee, said he was interested in giving states more flexibility but questioned the legitimacy of extending coverage to adults. "The issue is whether SCHIP funds used to cover adults has drained resources targeted by Congress for kids," said Sen. Grassley. "The 'C' stands for children. There is no 'A' in SCHIP."

Ms. Mann counseled the senators to keep adult coverage in perspective, noting that only 600,000 of the 6 million SCHIP enrollees are adults, and that it has been shown that when parents and children have health insurance, the whole family benefits. ■

## POLICY & PRACTICE

### Custody of Mentally Ill Addressed

New federal legislation aims to help parents obtain mental health treatment for their children without losing custody. The bill (H.R. 687/S. 382), which was introduced in both the House and the Senate, would authorize \$100 million in family support grants to states that chose to end the practice of forcing parents to relinquish custody of mentally ill children to state agencies to receive mental health services. The legislation was prompted by an April 2003 report from the Government Accountability Office, which found that more than 12,000 children from 19 states were placed in the juvenile justice system to receive mental health treatment in 2001. "It is simply unconscionable that families are forced to choose between custody of their children and the mental health services they desperately need," Rep. Jim Ramstad (R-Minn.), one of the sponsors of the legislation, said in a statement. "No parent should face this impossible choice, yet too many families are forced to lose custody to save their children."

### Katrina's Emotional Impact

Mississippi children and families displaced by Hurricane Katrina continue to have emotional problems, according to a report from Columbia University and the Children's Health Fund. The researchers interviewed 576 adults from randomly selected households displaced by the hurricane and found that more than half of the parents reported that at least one child in the family had experienced emotional or behavioral issues following Katrina, but only 29% had sought some form of professional help. "Our ongoing clinical work with children in the [Federal Emergency Management Agency] trailers and this latest study suggests that as many as one in three children are already suffering from significant mental health, behavioral, and school-related problems," Dr. Irwin Redlener, president of the Children's Health Fund, said in a statement. "This means that, extrapolating from our data, at least 25,000-35,000 children are already in serious trouble, with enormous consequences for the future." There was also a significant emotional strain on parents. About 62% of caregivers surveyed scored low on a standardized mental health instrument, suggesting high levels of clinical anxiety, depression, and posttraumatic stress disorder.

### NIDA Educates Physicians

The National Institute on Drug Abuse is establishing four Centers of Excellence for Physician Information in an effort to help improve the treatment of addiction in primary care practices. The centers will seek to educate medical students and resident physicians in internal medicine, family practice, and pediatrics in the areas of prescription drug abuse, methamphetamine abuse and addiction, and comorbid substance abuse and mental illness. Officials at the centers will focus on identifying knowl-

edge gaps about drug addiction, developing educational materials that target those gaps, and identifying ways of delivering the information. The centers are being set up at Creighton University, the University of Pennsylvania in collaboration with Drexel University, the University of North Dakota, and the Massachusetts Consortium of Medical Schools.

### FDA's \$2 Billion Budget

The Bush administration is requesting \$2.1 billion for the Food and Drug Administration in fiscal 2008, a 5% increase from the previous year's request. The agency still has not received its final appropriation for fiscal 2007, so the exact amount it will receive for that year is not yet known. The budget includes \$444 million in user fees from industry, including a new program aimed at charging generic drug makers fees to review their products. The agency estimates that generic companies will contribute \$16 million in fiscal 2008. In a statement, Generic Pharmaceutical Association CEO Kathleen Jaeger said the decision to seek user fees "will not bring generic medicines to consumers faster as long as brand companies are still permitted to use tactics that delay market entry." The agency is requesting \$13 million to move about 1,300 employees of the Center for Devices and Radiological Health to offices at its new White Oak, Md., campus. The FDA has been gradually moving its operations to the new facilities. The consumer-, patient-, and industry-supported Coalition for a Stronger FDA, based in Washington, said the budget did not go far enough. It is seeking at least \$175 million more, including greater increases for food, drug, and medical device safety.

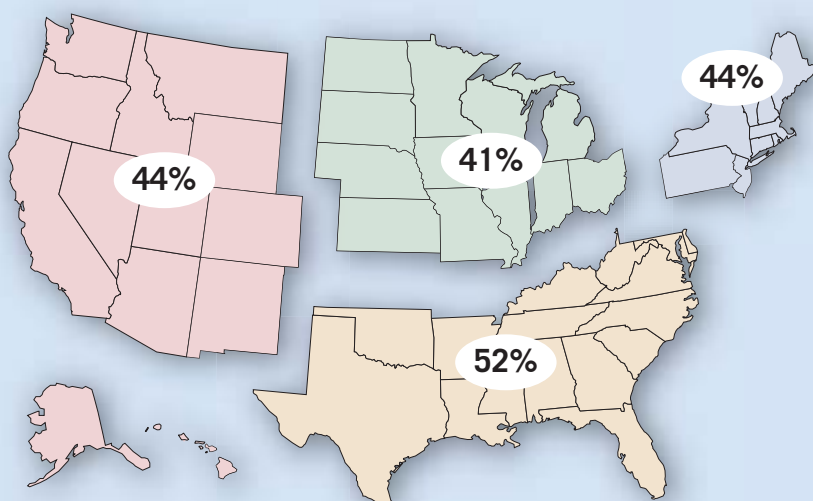
### Disclosing Financial Conflicts

Experts from Johns Hopkins University, Duke University, and Wake Forest University have designed model language aimed at helping researchers disclose financial conflicts to medical research participants in a meaningful way. The model language was published in the January/February issue of IRB: Ethics and Human Research. Included is a standard disclosure for situations in which there is a financial interest that does not represent a measurable risk to patients. The model also includes language that researchers can use to describe salary support, money received outside of a study, per capita payments, and unrestricted finders' fees, among other common conflicts. "This is language that can help these institutions craft better written materials. It can also serve as a model for how to accurately phrase disclosure in discussions with potential research subjects," Dr. Jeremy Sugarman, the lead author and professor at Johns Hopkins University, Baltimore, said in a statement. "It could also be expanded and presented in other formats, such as stand-alone pamphlets or videos about clinical research."

—Mary Ellen Schneider

## DATA WATCH

### Eligibility for Medicare Drug Benefit for Low-Income Subsidy Applicants Is Higher in the South



Note: Percentage of applicants determined eligible based on Social Security Administration data as of Nov. 17, 2006.

Source: The Kaiser Family Foundation