

## SCHIP Negotiations Start Again

BY ALICIA AULT  
Associate Editor, Practice Trends

Congress and the Bush administration headed back to the negotiating table in October after the House of Representatives failed to override President Bush's veto of the State Children's Health Insurance Program reauthorization legislation.

The House voted 273-156 to override the President's SCHIP veto, but that was 10 votes short of the needed two-thirds majority. The vote was split down party lines, with 229 Democrats and 44 Republicans voting in favor of override, and 154 Republicans and 2 Democrats voting against.

With the failure to overturn the veto, the House took up a new SCHIP package on October 25, voting 265-142 in favor. However, there were no new Republican converts, making it doubtful that the bill would survive another presidential veto. At press time, the Senate was preparing to take up the legislation.

SCHIP expired on Sept. 30, but a continuing resolution ensures that the program is funded through Nov. 16.

Ron Pollack, executive director of Families USA, predicted that compromises would be crafted around the issues that concern the White House, which he calls

"myths." Among those: that the law would cover children in families earning up to \$83,000 a year, and that illegal immigrants would be eligible for coverage. These issues led a majority of House Republicans to vote in line with President Bush, he said in an interview.

### Congress and the White House may compromise on the 'myths' that SCHIP would be extended to families making \$83,000 and illegal immigrants.

Dr. Jay E. Berkelhamer, president of the American Academy of Pediatrics, said in a statement that "the rhetoric of those who opposed the legislation to reauthorize SCHIP demonstrated a fundamental misunderstanding of the bill." He noted that the legislation would have blocked enrollment of many adults and children the White House has considered not eligible, "while still providing states flexibility and financial support for enrollment of up to 4 million low-income eligible children."

The White House claimed victory after the House failed to override his veto. "As it is clear that this legislation lacks sufficient support to become law, now is the time for Congress to stop playing politics and to join the President in finding common ground to reauthorize this vital program," according to a statement.

Rep. Charles Rangel (D-N.Y.)

said "It is appalling that the administration would declare victory after denying health care to 10 million of the neediest children in America," he said in a statement.

The White House said it had appointed a team to negotiate with Congress to make sure at least 500,000 children who currently are eligible for SCHIP, but not receiving benefits, would be enrolled in the program.

"If enrolling these children requires more than the 20% funding increase proposed by the President, we will work with Congress to find the necessary money," according to the White House.

About 6 million children are currently enrolled in SCHIP. The congressional proposal would have increased funding by about \$7 billion a year, adding as many as 4 million children to the SCHIP rolls.

The American College of Physicians said it would push for passage of a new bill, but one that would ensure coverage for those additional children. "The current SCHIP formula does not go far enough," said Dr. David C. Dale, ACP president, in a statement.

The American Medical Association said it was committed to expanding coverage. "The number of uninsured kids has increased by nearly 1 million over the past 2 years, and action must be taken to reverse this growing trend," said Dr. Edward Langston, AMA board chair, in a statement. ■

## Number of Uninsured Americans Rising Anew

BY MARY ELLEN SCHNEIDER  
New York Bureau

The number of Americans without health insurance reached 47 million last year, up from 44.8 million in 2005, according to new data released by the U.S. Census Bureau.

The percentage of individuals without health insurance also rose from 15.3% in 2005 to 15.8% in 2006.

This rise includes an increase in the number of uninsured children. The percentage and number of children under age 18 without health insurance increased from 8 million (10.9%) in 2005 to 8.7 million (11.7%) in 2006. Much of the increase in the uninsured rate for children can be attributed to a decline in private coverage, David Johnson, chief of the division of housing and household economic statistics at the Census Bureau, said during a news conference.

Overall, the percentage of individuals covered by any type of private insurance plan dropped from 68.5% in 2005 to 67.9% in 2006. And among children, the percentage with private coverage fell from 65.8% in 2005 to 64.6% in 2006, Mr. Johnson said.

At the same time, coverage

by government insurance was also down from 27.3% in 2005 to 27% in 2006. The data are compiled from the 2007 Current Population Survey Annual Social and Economic Supplement.

The increase in the number of uninsured individuals between 2005 and 2006 is "pretty shocking," said Karen Davis, Ph.D., president of The Commonwealth Fund, especially in a year when states have been under less financial pressure and many have been trying to expand coverage.

The deterioration of dependent coverage among private plans is particularly disturbing and points to the importance of reauthorizing the State Children's Health Insurance Program (SCHIP) with adequate funding, she said.

The number and percentage of uninsured children had been falling between 1998 and 2004 but that progress began to reverse in 2005, said Robert Greenstein, executive director of the Center on Budget and Policy Priorities. These latest data from the Census Bureau show that the country is "losing significant ground" in insuring children, he said, and he called on President Bush to rethink his position on funding for SCHIP. ■

## Plans Push Consumerism Despite Lack of Employee Enthusiasm

BY JOEL B. FINKELSTEIN  
Contributing Writer

WASHINGTON — Consumer-directed health plans remain popular with large companies despite a lack of enthusiasm among their workers, according to the results of a biennial national survey.

"Employers and health plans continue to be ... quite optimistic about the future for these plans despite the fact that to this point enrollment growth has been possibly slower than expected," Jon Christianson, Ph.D., said at a conference sponsored by the Center for Studying Health System Change (HSC).

In the interview-based survey conducted in 12 communities across the country, researchers working with HSC found that cost-sharing arrangements continue to be popular, although growth in the level of cost sharing has begun to level off. For most large companies, health care spending is rising at a slower rate than 4 years ago so that there is less pressure to share the pain. Some employers also reported that they have pushed cost sharing as far as they can.

"We were told by some employers—that a large number, but some employers—that they felt that they had moved deductibles up to the point ... where any further increases they could contemplate probably wouldn't have much of an impact on utilization and in changing people's decision making," said Dr. Christianson, professor of health policy and management at the University of Minnesota, Minneapolis.

Employers are encouraging their workers to make lifestyle changes that will potentially improve their health and reduce their need for medical services. Companies also are urging health insurers to provide more price information so that their workers can make informed decisions about health care when they do seek it.

"There's still very little evidence on return on investment" on health promotion and price transparency, said Debra Draper, Ph.D., an associate director at HSC. "Employers really believe that these are the right things to do for their employees. And for some employers, setting up these types of tools is ... an interim step toward implementing tools like consumer-directed health plans." ■

## Increase in Poor Patients Has Torn the Safety Net

BY JOEL B. FINKELSTEIN  
Contributing Writer

WASHINGTON — Community health centers, public hospitals, and other safety net providers are seeing a steadily growing number of low-income patients, while specialty care for these patients is becoming scarce, according to the results of a biennial national survey conducted by the Center for Studying Health System Change.

"The saga continues with rising demands and expectations on safety net providers. They have, lucky them, solidified their lock on the uninsured market in most of our communities," Robert Hurley, Ph.D., of the department of health administration at Virginia Commonwealth University, Richmond, said at a conference sponsored by the Center for Studying Health System Change (HSC).

For example, despite strong growth in the capacity of community health centers across the country, many still are overwhelmed not only by uninsured patients and immigrants but also, increasingly, insured patients.

"[The number of] private insurance patients [is] growing at twice the rate of the general population growth in health centers," said Daniel Hawkins, senior vice president at the National Association of Community Health Centers.

Health centers have absorbed a 60% increase in patients since 2001 and are now seeing 16 million patients a year.

"The privately insured patient population is over 2.1 million out of those 16 million. It's literally one of every six health center patients," he said.

High-deductible and cost-sharing policies are a big part of that, but so is paternity coverage, Mr. Hawkins said.

Community health centers are also struggling to meet the demand for specialty care, which has grown scarce for low-income patients in the 12 communities surveyed by HSC.

In some communities specialty care would not be available if not for the employed positions in safety net hospitals and the faculty positions in the academic health centers, Dr. Hurley said at a conference to release the findings of the most recent center survey. ■