

## **Proposal to drop adult SCHIP coverage sooner draws ire Move eyed as way to get GOP votes**

By John Donnelly, Globe Staff | November 10, 2007

WASHINGTON - The debate over expanding the children's health insurance program has run into another battle: the coverage of adults.

The State Children's Health Insurance Program, known as SCHIP, currently covers about 6 million people, including nearly 700,000 adults.

Negotiators in Congress who are working out details about the expansion of the decade-old initiative are considering a timetable to phase adults out of the program.

Under the current legislation passed by Congress - and vetoed once by President Bush - adults would be shifted out of SCHIP, and possibly into Medicaid programs, in two years. But in an attempt to get more Republican votes and Bush administration backing, negotiators are now considering whether to shorten the timetable to remove adults. Some conservatives want them out of the program immediately.

That has drawn strong criticism from liberal Democrats and several states, including Rhode Island.

The children's health insurance bill "was designed to focus attention on the most vulnerable, the kids," Linda Katz, policy director at the Poverty Institute at Rhode Island College School of Social Work in Providence, said yesterday. "But there's lots of research that when parents are covered, it's more likely kids will be covered, too."

Bush, who has vetoed one SCHIP bill and has threatened to veto a second version passed by Congress earlier this month, strongly opposes including adults in the program even though his administration has consistently granted waivers that allow 11 states to cover low-income adults. He also wants to increase the funding for the program by \$5 billion over five years, compared with Congress's bill which would increase that by \$35 billion.

In one of his weekly radio addresses last month, Bush said: "When it comes to SCHIP, we should be guided by a clear principle: Put poor children first. I urge Republicans and Democrats in Congress to support a bill that moves adults off this children's program - and covers children who do not qualify for Medicaid, but whose families are struggling."

Four of the 11 states that cover adults - Rhode Island, Minnesota, New Mexico, and New Jersey - have spoken out in recent days about continuing coverage of adults for as long as possible. In some of the 11 states, more than half of those covered under SCHIP are adults. Rhode Island covers adults who earn up to 185 percent of the poverty level - or roughly \$38,000 for a family of four.

Under SCHIP, Rhode Island provides health insurance for about 11,000 children and 11,000 adults. One of the adults is Laurie Heltman, 49, of Providence, a single mother. Her 16-year-old daughter is also covered by the program.

Heltman said in an interview yesterday that she applied for SCHIP coverage "because it was becoming more and more expensive to pay for medical insurance, to the point where we couldn't

afford it anymore. My kid got very, very ill. She had Lyme disease, and it was misdiagnosed for a very long time. For 10 weeks, she was on an IV in our home.

"Without this program, even if we had to do just the copays, I would have been broke. I would have ended up quitting my job and going on welfare."

Heltman, who runs a small laundry operation out of a storefront, said: "I work really hard, and I do everything I can not to ask anybody for help. But if it's going to cost me \$1,000 a month for medical insurance for me and my child, that's impossible. Sometimes people need a little bit of help."

Still, said Nina Owcharenko, a healthcare policy analyst at The Heritage Foundation, a conservative think tank in Washington, the debate should be focused on SCHIP's purpose.

"I think it's a question of whether you want to let SCHIP remain very focused and targeted on children, or does it become a quasi-Medicaid program," Owcharenko said. "States are using SCHIP as a vehicle to expand coverage to other populations."

Rhode Island, like other states, asked the federal government for permission to expand the SCHIP program to adults because the reimbursements were greater than under Medicaid. For adults receiving Medicaid coverage in Rhode Island, the state receives 53 cents for every \$1 spent. Under SCHIP, the state receives 67 cents on the dollar.

If SCHIP coverage ends for adults, the additional cost to Rhode Island to cover them under Medicaid would be \$8 million, according to Katz, the policy director at the Poverty Institute.

She said there is no guarantee that the state would cover that cost in a tight fiscal year; Rhode Island is facing a possible deficit of more than \$200 million in the current fiscal year.

That fiscal uncertainty in Rhode Island and the other states prompted the response late this week to the possible early loss of adult SCHIP coverage.

"We certainly understand this has caused a lot of questions and concerns with people," said Amy Rosenthal, program leader at New England Alliance for Children's Health, a Boston-based advocacy group. "But I think there's a lot of different tools with SCHIP that have proven to be successful, including covering adults."