

California's Children Need a Strong SCHIP Reauthorization Before March 2009

In California, children's health is truly in crisis. Over 300,000 children are in danger of losing their health coverage as a result of proposed state budget cuts. An additional 60,000 more children could lose coverage as local Children's Health Initiatives begin to shut their doors for lack of long-term funding. After a decade of progress in insuring more children, our state is on the verge of an enormous step backwards.

And it could not come at a worse time — during this economic downturn, California's working families are struggling more than ever to keep up with rising food and gas prices. With children's coverage at risk, a robust State Children's Health Insurance Program (SCHIP) reauthorization is critically needed. SCHIP monies fund California's Healthy Families Program, which provides low-cost health coverage to more than 850,000 children in families with incomes too high for Medicaid but too low to afford private coverage. **The deadline for SCHIP reauthorization is looming; federal SCHIP funding expires on March 31, 2009.**

California's SCHIP Helps Keep Our Children Healthier

- Children with health coverage, such as Healthy Families, are healthier and learn better. The agency that oversees Healthy Families found that the health status of previously uninsured children improved by 25% after being enrolled in the program for one year, and children also showed a 63% improvement in paying attention at school.¹

SCHIP is a Success Because it is Supported by Communities of All Ideological Stripes

- SCHIP was created by a Republican Congress and signed by a Democratic President.
- A 2007 poll conducted by Republican pollster Bill McInturff found an overwhelming majority of voters (86%) support reauthorizing SCHIP for another five years. Voters strongly support children's coverage regardless of political party, with Republicans (77%), Independents (86%), and Democrats (93%) supporting SCHIP reauthorization.

SCHIP is Cost-Effective for California

- For every \$1 California contributes to Healthy Families, the federal government sends us \$2.
- The average cost of a preventable hospitalization for a child is \$7,000, while a year of coverage for one child costs roughly \$1,200. If all California children had health coverage, the state could save over \$24 million per year by avoiding hospitalizations.² When uninsured children receive emergency care, state taxpayers foot the bill if their families cannot pay.

State Flexibility is a Key Factor to SCHIP's Success

- When SCHIP was created, state flexibility was integral to its success. States were to determine income eligibility for their coverage programs due to variations in cost of living (for example, a family at 300% of poverty in San Francisco has a lower standard of living than a family at 200% of poverty in Atlanta).
- In August 2007, the Bush Administration issued a directive to effectively limit all SCHIP programs to 250% of poverty. This directive must be rescinded so that states can continue to determine the best way to reach their uninsured children.

SCHIP Must be Reauthorized by March 2009 – Children's Health Depends on It!

- A long-term SCHIP funding package is urgent unfinished business; the federal government was originally due to reauthorize the program by October 2007. Reauthorization should not be further delayed or entangled with other health care legislation.
- Reauthorization offers Congress and the President the opportunity to show the nation they can break the gridlock of recent years and pass a long-term, fully funded SCHIP package.

¹ Managed Risk Medical Insurance Board, "The Healthy Families Program Health Status Assessment (PedsQL™) Final Report," Revised September 2004.

² Cousineau, Stevens, & Pickering, "Preventable Hospitalizations Among Children in California Counties After Child Health Insurance Expansion Initiatives," *Medical Care*, Vol. 46 (2008): 142-147.