Governor decries new federal policy on children's insurance

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New federal guidelines that require many children to be uninsured for a full year before they have access to government-subsidized coverage threatens Ohio's expansion of the popular program, Gov. Ted Strickland said Friday.

The guidelines undercut the State Children's Health Insurance Program, or SCHIP, and should be revoked, Strickland and U.S. Sen. Sherrod Brown, D-Ohio, said in a letter to the top U.S. health official.

The U.S. Centers for Medicare and Medicaid Services issued the guidelines Aug. 17 as Congress attempts to forge a compromise over competing plans to significantly expand the joint state-federal program.

Strickland said he views the guidelines as an attempt to go around Congress and limit the program's expansion. He told U.S. Health Secretary Mike Leavitt in the letter that the guidelines "contravene the fundamental objective" of the program.

"What the administration is proposing here will deprive thousands and thousands of needy children from having access to health care services," Strickland said later in an interview.

The program subsidizes the cost of health insurance for families whose incomes are too high to qualify for Medicaid but too low to afford private insurance.

Both the Senate and the House passed bills this summer that would increase substantially the spending on the program. Bush has promised a veto if they reach his desk in their current form.

The Bush administration and some congressional Republicans say an expansion too big will encourage families and their children to leave private insurance in favor of the public plans. Bush has proposed a $5 billion expansion, while the Senate has proposed a $35 billion increase and the House $50 billion.

Ohio and 17 other states already have, or have plans to, expand the eligibility limit to children at least 250 percent above the federal poverty level _ defined as $20,650 for a family of four.

In the two-year state budget approved in July, Ohio expanded eligibility to 300 percent of the poverty level _ or to $61,950 for a family of four. The move is expected to help 20,000 additional Ohio children join the program.

The new federal guidelines target states that have expanded eligibility to at least 250 percent of the poverty level.

The guidelines require children in those states who are over that level to have been uninsured for at least a year before gaining access to the program. They also require that the number of children of that income level insured in the private market not decrease by more than 2 percent from the prior five-year period.

Strickland and Brown said these requirements ignore the fundamental fact that the costs of private coverage are increasing at a rate that lower-income families, despite not being "poor," can't keep up with.

A message seeking comment with the Office of External Affairs at the Centers for Medicare and Medicaid Services was not immediately returned Friday.

The guidelines also say that states making the expansion must enroll up to 95 percent of children who are below 200 percent of the poverty line _ a requirement Strickland calls a "disingenuous" attempt to limit expansion.

"There is not a single state in the nation that has been able to meet that standard," he said. "This is an attempt to make it impossible for any state, including Ohio, to choose to expand coverage to uninsured children."

Ohio has a rate of roughly 77 percent for that group, Strickland said.

He hopes the U.S. House and Senate will include language that will nullify the guidelines in its compromise bill to expand the children's program.

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