



 **COMMENTARY** ECONOMY & JOBS

## Two Years of Children's Health Insurance Is Not Enough

MARCH 30, 2015

Last Thursday, the Medicare Access and CHIP Reauthorization Act of 2015 passed through the House with a large majority, and it is likely to pass the Senate as well. A bipartisan effort between John Boehner and Nancy Pelosi, the bill offers a permanent fix for Medicare physician payments and reauthorizes the Children's Health Insurance Program (CHIP) for two more years.

The CHIP extension is a "clean" one, meaning there are no spending cuts or changes to the program. This is a big deal for the 8.1 million low-income children who are covered under CHIP, and while Senate Democrats would prefer a four-year extension, the current two-year plan that doesn't include any cuts or reforms is a big win for the left.

But it shouldn't be.

Since its inception, CHIP has cut the share of uninsured kids in half, from 14 percent to 7 percent. It's a program that is clearly working and has been recognized as such. Originating as a bipartisan effort between Senator Ted Kennedy and Senator Orrin Hatch, CHIP has support from both Democrats and Republicans even today. In 2014, a Bipartisan CHIP Inquiry revealed that all 39 governors who responded from both red and blue states supported extending funding for the program, with only three of them advocating for just a two year extension. Another research poll conducted by First Focus showed that almost three-quarters of a voter sample also favored extending funding for the program.

While reauthorizing a successful and broadly supported program like CHIP should be easy, it has instead become a concession for Republicans. Alternate proposals from the right have included decreasing funding, reducing eligibility levels, and even increasing the waiting period for children to switch insurance in order to discourage families from crowd-out, or from dropping private insurance for CHIP enrollment. It's dubious that previous expansions have caused a significant amount of crowd-out, and evidence suggests that most of the switching that does occur is due to involuntary loss or unaffordability of private coverage.

Instead of debating ways to increase access and quality of care for our children, our representatives dispute over costs and use children's health as a political lever. At \$13 billion a year, the program's budget is small peas compared to the \$511 billion we spend on Medicare for the elderly or, say, the \$615 billion we dole out for defense spending. This fits within the general trend of what we spend on children—even though kids comprise almost 25 percent of

our population, they receive less than 10 percent of the federal budget. If it's easier for some to cite cutting costs over spending federal dollars to insure our children's health, then we need to step back and re-evaluate the purpose of our government.

CHIP is a bipartisan program that is a win for both sides. A two-year extension over a four-year or permanent one offers children, families, and states little peace of mind, and is a weak concession, for Democrats and Republicans alike.

---

ALL CONTENT COPYRIGHT © 2016

THE CENTURY FOUNDATION