

# Myths & Facts Regarding SCHIP

## SCHIP "EXPANSION" AND COST

**MYTH:** Reauthorization legislation in Congress represents an unprecedented expansion of SCHIP and "government-run" health care.

**"EXPANSION" FACT:** Under both the Senate and House legislation, SCHIP would continue to provide coverage for children currently enrolled in SCHIP and extend coverage to SOME of the nearly six million children currently eligible but not enrolled. This only seeks to fulfill the original promise of SCHIP.

**"GOVERNMENT-RUN" FACT:** Under SCHIP states utilize federal and state funds to pay physicians and private health care plans for low-income beneficiaries.

## SCHIP AND IMMIGRANTS

**MYTH:** SCHIP reauthorization gives illegal immigrants health care.

**FACT:** Illegal immigrants remain barred from enrollment in federal health programs. The House legislation provides an OPTION to all states to provide coverage for LEGALLY PRESENT immigrant children and pregnant women, something that several states already have chosen to do on their own.

## SCHIP AND ADULTS

**MYTH:** Allowing states to use SCHIP funds to cover low-income parents violates the program's purpose of helping children.

**FACT:** Numerous studies have shown that parents are more likely to sign their children up for coverage if they can obtain coverage for themselves at the same time. This helps strengthen the families in which low-income children are raised.

## SCHIP AND "CROWD OUT"

**MYTH:** Children currently covered by other private insurance plans will be moved into SCHIP under the reauthorization proposals in Congress.

**FACT:** According to the non-partisan Congressional Budget Office, about two-thirds of the children who stand to gain coverage under the bills in Congress are currently uninsured.

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## **SCHIP AND LOW-INCOME FAMILIES**

**MYTH:** SCHIP reauthorization will allow well-off families making up to \$82,000 a year to receive government-subsidized insurance.

**FACT:** Only one state (New York) offers eligibility up to four times the federal poverty level (FPL), and that is because New York has an extremely high cost of living. Most states limit SCHIP to children with family incomes at or below 200 percent of FPL, and approximately 91% of children in SCHIP in 2006 had family incomes below 200% of FPL (according to the Congressional Research Service). Neither the House nor Senate bill would change state eligibility requirements, and states should keep this flexibility.

## **SCHIP AND MEDICARE "CUTS"**

**MYTH:** SCHIP reauthorization cuts Medicare, and will cause seniors to lose health coverage.

**FACT:** The House legislation simply adjusts federal payments to private Medicare Advantage plans—it does not cut Medicare fee-for-service funding. This measure equalizes federal payments between Medicare Advantage and traditional, fee-for-service plans, and strengthens Medicare financing by adding two years to the life of the program trust fund.

## **SCHIP AND PRO-LIFE ISSUES**

**MYTH:** The House legislation promotes abortion.

**FACT:** Restrictions on federal funding for abortion under public health insurance programs (the "Hyde amendment") remain intact under the proposed SCHIP legislation, as would the Bush Administration's 2002 regulation allowing states to provide coverage for unborn children under SCHIP. States will continue to have the option to construct children's health insurance programs without funding abortion services.