

2007 SCHIP Reauthorization: Background



Pennsylvania
Partnerships for Children

SCHIP 101

- *Balanced Budget Act of 1997 created SCHIP block grant*
 - Modeled after PA's CHIP
 - Established annual state allotments for FY 1998-2007
 - States get share of annual allotment based on formula

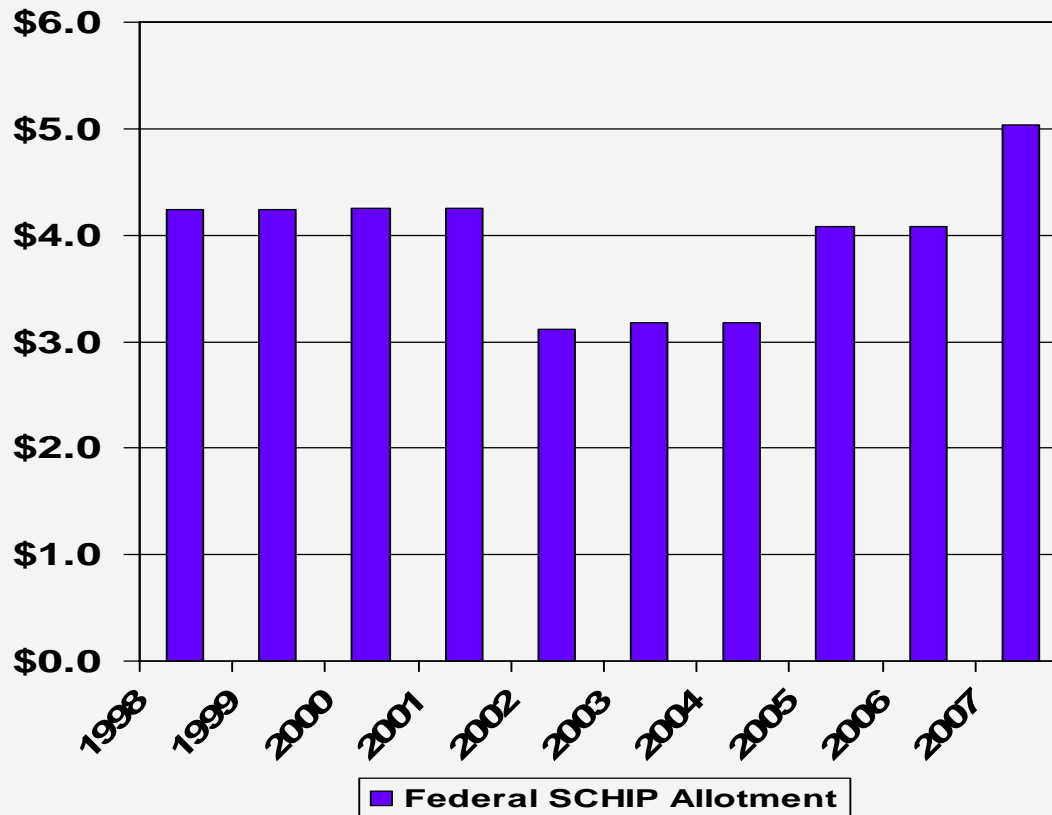


SCHIP 101 *(continued)*

- Unspent funds are redistributed to states that have fully spent their annual allotment.
- Federal match PA funds with 66 cents on the dollar – better than Medicaid
- SCHIP scheduled for reauthorization in 2007 for FFY 2008 and beyond



Annual SCHIP Allotments under Current Authorization (in \$ billions)



State Shortfalls in FFY 2007

- 17 states (not PA) are facing total shortfalls of \$921 million in FFY 2007
- Shortfall represents the costs of covering 630,000 children (CBPP Analysis)
- Congress enacted a small fix – at a lower match rate for some populations - this winter to provide some short-term help but only provide fix till May 2007



Reauthorization Fiscal Restraints

- CBO assumes SCHIP will be reauthorized
- CBO, *however*, assumes that annual SCHIP funding will be frozen at the FFY 2007 level in perpetuity (\$5.04 billion annually)
- Baseline does not assume any future funding increases to take into account factors like health care inflation or population growth



Reauthorization Fiscal Restraints

- Any increases above baseline levels will “score” and run afoul of various Congressional budget rules (PAYGO).
- FFY 2008 budget also important for reauthorization efforts.
 - President’s Budget also important to set the stage for congressional debate.
 - State of the Union – January 25th
 - President’s Budget address – February 5th



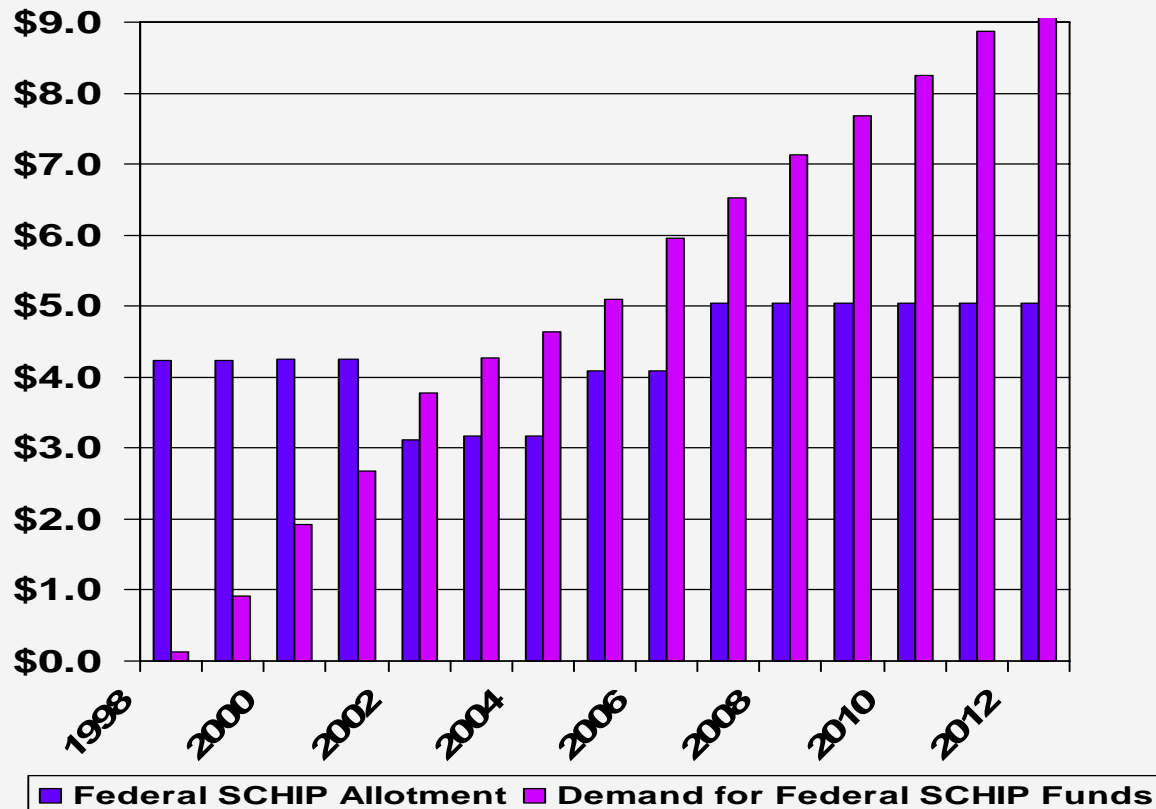
Future Shortfalls

- Congressional Research Service (CRS) projected an aggregate state shortfall of \$12.7 billion for the five-year period (2008-2012). CBPP analysis points to higher shortfall (approx. \$15 billion).
- 2008 - 24 more state fall into shortfall
- 2112 – 36 states will be in shortfall, including PA



Inadequacy of Baseline Funding

(CBPP Analysis)



Pennsylvania

- PA originally estimated to be in a shortfall situation in FFY 2012
- Shortfall now expected in FFY 2011 (Cover All Kids)
- Uncertain of impact of moving to two-year limit for spending annual allotment from the current three-year rule
- Role of the Governor/NGA



Advocacy Goals for Reauthorization

- Provide the necessary funding to maintain existing state SCHIP programs over the next five years
 - Not at the cost of other important programs in a PAYGO world
- Increase federal funding to the states
 - Allow for expansions and improvements
 - More kids, adults
 - Better benefits
 - Improved outreach and enrollment
- Preserve the current Medicaid program



PA's Congressional Delegation

Key Committee Assignments:

- Sen. Specter – Appropriations
- Rep. Schwartz– Ways and Means
- Rep. English – Ways and Means
- Rep. Peterson – Appropriations
- Rep. Doyle – Energy and Commerce
- Rep. T. Murphy - Energy and Commerce
- Rep. John Murtha – Appropriations
- Rep. Joe Pitts – Energy & Commerce



PA's Congressional Delegation

Other factors:

- Blue Dogs: Reps Holden, P. Murphy and Carney (?)
- Moderate Rs: Reps Dent (Co-Chair), Platts, Gerlach
- Sen. Casey's interest in children's issues



Next Steps

- Broad based coalition has been created
 - Built on Cover All Kids
 - Children's advocates, providers, insurers
- Expand coalition support
 - Join with us
 - Reach out to your national partners
- Direct outreach to PA members of the U.S. Congress
- Media efforts



Next Steps

Stay up to speed and get involved – to do so...

- Sign up for PCCY advocacy alerts – send a note to info@pccy.org
- To join PPC's e-advocacy network with direct links to Congress, the Pennsylvania General Assembly, other elected official and the media – sign up at:

www.capwiz.com/papartnerships/mlm/signup/

