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Some laud decline in CHIP rolls

By MITCH MITCHELL
STAR-TELEGRAM STAFF WRITER

A sudden and steep enrollment decline in the state's health insurance program for children is just what the doctor ordered, according to Texas groups opposed to big government.

Enrollment in the Children's Health Insurance Program. Opponents of big government praise trimming enrollment in the Children's Health Insurance Program.

Children's Health Insurance Program in Texas is scheduled to decline by 167,000 children by 2005 after legislation aimed at trimming state spending was passed in 2003. CHIP rolls have already fallen by 149,000 children from a high of more than 500,000 since policy changes went into effect in September.

According to a study by the Kaiser Family Foundation, the Texas decline accounts for more than half of the drop in coverage nationwide in the second half of 2003.

Those who argue against the need for CHIP say the program is an example of the government force-feeding health care to a healthy population that neither needs nor wants subsidized health insurance for its children. Parents, not taxpayers, should be paying the health-insurance premiums for their families, CHIP's opponents say.

"CHIP is extremely inefficient and highly ineffective," said Michael Sullivan, vice president of the Texas Public Health Institute.

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Policy Foundation. "There are other ways that families can be strengthened to buy health insurance for their kids. We need to look at market-based solutions to this problem."

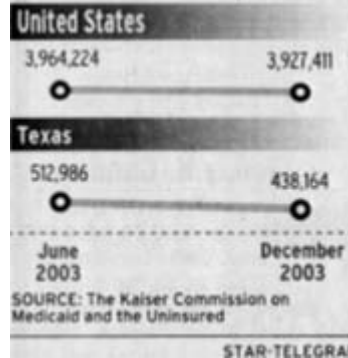
People fighting to cut state government say their position has been bolstered by a state auditor's report last month that said the Texas Health and Human Services Commission made \$20 million in overpayments to Clarendon Insurance Group, the company that runs CHIP in 170 rural Texas counties. Clarendon officials have denied wrongdoing.

CHIP advocates maintain that "market-based solutions" are code words for privatization, a strategy that has gotten the HHSC in trouble with the state auditor's office.

"There is this love affair with privatization going on. What you have to realize is that this private market is an amoral system that only has the goal of maximizing profits for its owners," said Anne Dunkelberg, senior analyst for the Center for Public Policy Priorities in Austin.

Health insurance program enrollment

For the first time in its six-year history, program enrollment fell in the United States during the last half of 2003. Most of the enrollment loss was in three states - Texas, Maryland and New York - with Texas making up more than half of the decline. The other 37 states had enrollment increases.



State lawmakers, however, are also aware of a constituency that wants them to hold the line on taxes.

"It's important for us to remember that every dollar that the government spends comes out of the taxpayers' pockets," said State Rep. Vicki Truitt, R-Keller. "Government should play a role. We must prioritize and do what we can for people who have no other options, but our resources do have limits."

CHIP advocates argue that

taxpayers pay a bigger bill when children are treated in emergency rooms instead of clinics or doctor's offices.

The CHIP cuts mean that the state gets less from the federal government, which matches every \$1 CHIP expenditure in Texas with a \$2.57 contribution.

The JPS Health Network, the Tarrant County hospital and clinic system, lost about \$170,000 because of the decline in CHIP enrollment, said Drenda Witt, network spokeswoman.

In the six-county region that includes Tarrant County, CHIP rolls have fallen by more than 42 percent since September, which equals a \$4.8 million revenue decline, said Sara Neese, vice president of the Cook Children's Medical Center Health Plan.

"Local communities are feeling these cuts," said Barbara Best, outreach coordinator for the Texas chapter of the Children's Defense Fund. "This affects local taxpayers, and as sick children come to the emergency room, local taxpayers are going to have to make up the difference."

Mitch Mitchell, (817) 390-7420
 mitchmitchell@star-telegram.com

