



## Group: CHIP proposal would be boon for state

It disputes notion that federal funds would be left unspent

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AUSTIN – A liberal advocacy group argued Thursday that the children's health insurance expansion that President Bush vetoed would entice Texas lawmakers to build on recent improvements to the state's own program, rather than leave a big pool of federal money on the table.

The arguments, countered by conservative analysts who say the legislation would put too many middle-class children on government insurance, indicated that the white-hot political and policy debate in Washington is trickling down to Austin and campaigns such as the re-election effort of Republican U.S. Sen. John Cornyn.

The House is expected to vote next week on whether to override Mr. Bush's veto.

Former state District Judge Scott McCown of Austin, who runs the Center for Public Policy Priorities, a progressive group that favors more state spending on education and health care, said the Legislature increased spending on the Children's Health Insurance Program in both 2005 and 2007.

"The likely scenario is that they would increase funding" again in the 2009 session, Mr. McCown said, especially if Congress overrides the president's veto.

Mr. Cornyn has insisted that if the veto is overridden, the state would leave about \$1.8 billion of its federal matching funds unspent by 2012, and the money would be redistributed to "northern states."

However, Mr. McCown said, "That's actually the unlikely political scenario."

Though a new state law is expected to add 135,000 Texas children to the rolls of CHIP by next year, the state will need every dime of Congress' proposed new spending if it wants to bring aboard all 330,000 youngsters who are now eligible but not enrolled, Mr. McCown said.

Congress created CHIP in 1997. But the program will expire soon if no bill is passed in Washington. It was designed to help working poor families that make too much to qualify for Medicaid but too little to afford private coverage.

In Texas, a family of four with a gross income of \$41,300 qualifies for CHIP assistance. The vetoed bill would let states set their limits at no more than \$61,950 for a family of four.

Mr. McCown and Anne Dunkelberg, the center's associate director and a health care expert, said Texas has more children who are eligible for CHIP – but not enrolled – than any other state. A generous federal bill is crucial if Texas is going to provide preventive health care for any of its 1.5 million uninsured children, they said.

"We cut 40 percent of our caseload as the combined result of the 2003 [budget] cuts and the massive failure" of the group hired to run applications and enrollment of Texans in social programs, Ms. Dunkelberg said.

Mary Katherine Stout, a health care analyst for the Texas Public Policy Foundation, which advocates free market solutions to health care problems, said the vetoed bill would entice states into "a trap of unsustainability."

The bill would increase annual federal spending on CHIP, now about \$5 billion, to \$12 billion.

"That is clearly expanding a program into the middle class," Ms. Stout said. "That is clearly favoring government to crowd out any kind of private health insurance solution. And ultimately this is a disagreement on fundamental principles of whether government should run health care or whether individuals should have control."

As groups that lean Democratic or are funded by the health care industry launched ads to sway undecided House Republicans, Mr. Cornyn denounced Democratic congressional leaders for not negotiating.

Mr. Cornyn has backed a bill that would increase federal CHIP spending to about \$7.8 billion a year. But confronted with higher cost projections by the Texas Health and Human Services Commission, he indicated for the first time that might not be enough to cover low-income children in Texas and the rest of the nation.

"I am more than willing to work with you to find a reasonable, bipartisan solution," he wrote Senate Majority Leader Harry Reid, D-Nev., and House Speaker Nancy Pelosi, D-Calif.

However, Mr. Cornyn said extending the life of CHIP is "too important to be used as a political pawn for campaign purposes."