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VIEWPOINTS online print edition



Federally insuring more kids is what state wants

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Some portray efforts by Democrats in Congress to expand the federal health-insurance program for children as a vast liberal conspiracy. A *Wall Street Journal* editorial called it "HillaryCare on the installment plan."

This is a problem?

Well, yes.

We need more than an installment. That's the problem.

America needs a comprehensive reform of our health-care system that provides access to all and lets physicians and patients make decisions based on medical judgment and personal need, not cost and actuarial tables.

In the process, American employers should be relieved of the burden of providing medical coverage to their workers, a weight their global competitors don't have to carry.

One solution could be universal coverage on a model similar to the Arizona Health Care Cost Containment System, or AHCCCS. Any real solution has to come out of Congress. But "comprehensive" is not something Congress does well. (Witness the failure to deliver immigration reform.)

So we'll take what we can get, to paraphrase my mother.

One thing we've got is the federal State Children's Health Insurance Program, or SCHIP, in which the feds cover 76 percent of the cost to states. Congress needs to reauthorize the program by Sept. 30. Democrats want to expand it. George Bush and some Republicans don't.

In Arizona, the program is called Kids-Care, and it reduced the rate of uninsured children from 25 percent in 1997 to 15 percent in 2004. KidsCare has survived vigorous public debate since 1998, when Republican Gov. Jane Hull urged the Legislature to adopt it.

Year after year, the Legislature supports it. After considerable debate and discussion, Arizona lawmakers, most of whom do not wear "Hillary" buttons, also agreed to allow parents to buy into the coverage on a sliding scale. They reauthorized that again this year.

Currently, there are about 64,000 children and about 14,000 parents on KidsCare. An estimated 80,000 more children are eligible but not enrolled. It is Arizona public policy, as expressed by the Legislature this year, to try to get these children into the program.

The issue of adults on KidsCare has caused some confusion. Government Accountability Office testimony to Congress this February reported that 56 percent of those on Arizona's KidsCare are adults. The statistic comes from fiscal 2005. "It is no longer true," says Tom Betlach, assistant deputy director of AHCCCS, which administers KidsCare.

Betlach says that, in the early years, the feds approved using some excess KidsCare money to help cover the expansion of AHCCCS eligibility to 100 percent of the poverty level, which voters approved for the second time in 2000. It made more sense to use KidsCare money for AHCCCS adults than to send it back to Washington. The last of those AHCCCS patients was permanently moved off KidsCare funding nine months ago, Betlach says.

Eligibility for KidsCare also causes confusion. It is currently at 200 percent of the federal poverty level. That's about \$40,000 a year for a family of four, which some suggest goes beyond the definition of "poor." In the real world, \$40,000 can be the income of parents who work three or more part-time jobs that don't offer medical coverage. If the family has a child with a pre-existing condition, such as asthma, paying for private medical insurance could be as unrealistic as checking into the San Diego's Hotel del Coronado for a week of R&R.

This year, Gov. Janet Napolitano tried unsuccessfully to raise eligibility to 300 percent, which some states have done. That's about \$60,000 for a family of four. Again, the income can represent multiple jobs that do not offer health insurance. Betlach estimates there are 32,000 uninsured children in Arizona whose families earn 200 to 300 percent of the poverty level.

Lawmakers wouldn't go along with Napolitano's effort to expand KidsCare. But lawmakers did agree to lift long-standing restrictions on outreach for the program. The goal is to get all eligible children signed up.

George Bush could foil that. He threatens to veto any federal reauthorization of the program that goes beyond his proposed "expansion." But Bush's expansion, like his "mission accomplished," is a cruel illusion. Napolitano says it is "effectively a cut" because it doesn't allow for growth or inflation.

That's not what Arizona wants.

Those who argue against KidsCare because they think it is an incremental step toward universal coverage aren't reflecting what Arizona wants, either.

The Arizona Town Hall on health care, conducted in April, set a goal of access to health care for all Arizonans. Voters have repeatedly supported efforts to expand health coverage. Even the Legislature continues to back KidsCare.

If the Democrats in Congress succeed in goosing up funding for KidsCare, they will be doing exactly what Arizona wants.

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