

# Bush plans veto on child health bill

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US President George Bush has announced his intention to veto a bipartisan bill prepared by a Senate committee to increase funding for the S-CHIP (State's Children Health Insurance Program) block grant program. S-CHIP funds are typically used to subsidize health insurance for children whose families earn more than the maximum set for participation in the Medicaid program, but who are nonetheless too poor to buy private insurance. White House officials' defense of the decision relied on a deceitful paean to private insurance and free enterprise.

The S-CHIP program will expire in September 2007 unless the federal government grants it new funding. It helps cover 6.6 million children by providing approximately \$5 billion per year to US state governments, which are free to spend it on health programs of their choice. Some states use the funds to supplement (and often reduce their own funding of) federally mandated Medicaid programs they administer; others have used it to set up new health coverage programs.

Despite S-CHIP and other federal programs such as Medicaid, 9 million children remain uninsured in the US. The Senate bill proposed an increase in funding of \$35 billion over the next seven years and projected that this would allow coverage of 3.3 million more children. It proposed to pay for the bill by raising taxes on tobacco products, including a 69-cent increase in the tax on a pack of cigarettes.

The Senate bill would extend S-CHIP benefits to those earning 300 percent of the federal poverty level (about \$63,000 for a family of four), arguing that even with this income level, the typical yearly premiums for a private family coverage plan (\$11,480 according to *USA Today*) are prohibitively high. Medicaid benefits typically are unavailable to anyone earning above between 100 and 133 percent of the federal poverty level (just under \$21,000 and \$28,000, respectively).

Even though the bill promises from the outset to leave millions of children uninsured, questions remain about whether its limited goals will be met with the current funding levels. A House version called for \$50 billion in extra funding over the next seven years, but the Senate trimmed this to \$35 billion.

The White House insists that the program only needs \$5 billion more than current funding levels over the next seven years, despite spiraling increases in medical costs. Senator Chuck Grassley of Iowa noted that the White House's plans were "extremely unrealistic."

Bush promised to veto the bill at a photo-op in Landover, Maryland, on July 18. In a complete travesty of the contents of the bill, which seeks to insure uninsured children, he claimed that it would encourage people "to drop their private insurance in order to be involved with a government insurance plan."



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