

PRESIDENT ANNOUNCES SUPPORT FOR BIPARTISAN CHILDREN'S PLAN

Today, the President announced his support for the Senate bipartisan amendment to provide meaningful health coverage to uninsured children. Senators Chafee, Rockefeller, Jeffords and Hatch have designed a consensus proposal on how to invest the \$16 billion in the Balanced Budget Agreement. This proposal is consistent with the President's commitment to extending meaningful health coverage through the most cost-effective approach. This important legislation would result in the largest investment in children's health coverage since the enactment of Medicaid in 1965.

The bipartisan amendment protects vulnerable children while offering states flexibility. It:

- **Gives states incentives to rationalize Medicaid.** Today, Medicaid covers children under 6 years old with incomes up to 133% of poverty, or \$21,000 for a family of four. The bipartisan plan provides incentives for states to cover all children, regardless of age, up to this income level.
- **Funds innovative state programs to target middle-class uninsured children.** Unlike low-income children, middle-class uninsured children are difficult to target with a single program. A grant program gives states the resources and flexibility to find and cover these children.
- **Offers meaningful coverage that protects vulnerable children from excessive costs.** Children have a wide range of health needs. The bipartisan amendment assures that children covered through the initiative receive meaningful benefits without unaffordable cost sharing.

The Roth proposal, in contrast, does not balance protection for vulnerable children with state flexibility.

- **False choice.** The Roth proposal asserts that states have the choice of expanding coverage to children through a block grant or Medicaid. However, it is a false choice. The rules for the block grant are designed so that no rational state would chose Medicaid, regardless of its merits.
- **Splits families.** The Roth proposal allows states to use the block grant for older, low-income children and Medicaid for younger children. It makes no sense to give a child below 6 years old one type of coverage and a child above 6 years old different coverage.

The President encourages the Senate Finance Committee and the full Congress to support this bipartisan approach. We should take full advantage of this opportunity to provide meaningful health coverage to a significant number of uninsured children.

6/17/91