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Report shows benefits to Oregon's kids and the economy if Congress makes good on budget promise for health care

(Silverton) Oregon could receive about \$549 million in new federal funds over the next five years to expand children's health coverage and improve the state economy, according to a new report by Families USA, a national consumer health organization. The additional funding would mean that Oregon could triple its federal funding for the State Children's Health Insurance Program, known by its acronym, SCHIP ("ess-chip").

The Families USA report estimates Oregon's share of new federal dollars if Congress approves \$50 billion in additional funds in reauthorization of the child health insurance program, as outlined in its recently-approved FY 2008 budget. The report also examines the economic impacts of the new federal funds on the state's economy.

The new federal funds could assist the State in covering the thousands of Oregon children who currently go without health insurance. Oregon would need to increase its own investment in children's health coverage to draw down the new federal matching funds.

The Families USA report includes an economic analysis of the infusion of new federal health care dollars into Oregon's economy. According to the report, the new federal funds would create \$219.4 million in increased business activity, \$80.9 million in increased income, and 2,444 additional jobs in Oregon.

Budget rules designed to promote fiscal discipline require Congress to offset the \$50 billion in additional national funding with commensurate revenue increases or program cuts in other parts of the federal budget. U.S. Senator Gordon Smith has proposed an increase in the federal tobacco tax to finance much of the increased investment in children's health coverage.

Votes on an SCHIP reauthorization package in the Senate Finance Committee are expected soon. Both of Oregon's U.S. Senators serve on the powerful Finance Committee.

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“Health coverage helps kids stay healthy and do better in school,” said Janet Bauer, a policy analyst with the Oregon Center for Public Policy. “The new federal dollars would make it easier for Oregon to help all children in our state have a better chance to succeed by having insurance coverage.”

The State Children’s Health Insurance Program was created by Congress in 1997 to assist states in providing health coverage for uninsured children whose incomes are too low to afford private coverage but too high to qualify for Medicaid. To encourage states to cover more of these low-income children, Congress allows states to draw down more federal SCHIP dollars with each state dollar than allowed under Medicaid. Currently, the federal government provides \$2.67 for each dollar Oregon spends in SCHIP; it provides \$1.57 for each state dollar in Medicaid.

A link to The Families USA report is available at www.ocpp.org.

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