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**REMARKS OF SENATORS KENNEDY AND HATCH ON THE CHILDREN'S
HEALTH INSURANCE PROGRAM**

Reflect upon ten years of bipartisan work

(Transcribed from the Senate floor, As Delivered)

Mr. Hatch: I have to say that the original CHIP bill, that virtually everybody claims is an excellent piece of legislation that has helped millions of poor children, children from poor families, meant to help the working poor children, the only children left out of the process, wouldn't have come to pass except for the support of the distinguished senator from Massachusetts.

We both took a lot of flak during those early months when we were trying to solve this problem of the working poor children. I had two Utah families come in to see me -- parents. Both parents worked in each case. Each family had six children. Neither family with both incomes had more than \$20,000 a year in total gross income. They clearly could not afford child health insurance.

CHIP was the only answer to their plight, and they were the only people left out of the process. And they worked. They did the best they could. and I remember when the distinguished senator from Massachusetts and I sat down together, and we're from two opposite poles in many respects, although he doesn't realize that he's a lot more conservative than he thinks. And he thinks I may be a lot more liberal than I think.

But when Kennedy and Hatch can get together, people around here say, well, if they can get together, anybody can. And people tend to get out of the way because they know that it took a lot of effort for us to bring, to come together. but the original CHIP bill could not have occurred but for my distinguished friend from Massachusetts and the work that he did. And even though that hasn't been broadcasted very much in the current debates, it's true. And in the current debates, we wouldn't be as far along if it hadn't been for the efforts of the distinguished senator from Massachusetts. And there are two sides to this.

Yes, there's a legitimate side in opposition to having CHIP be \$35 billion above the baseline of \$25 billion. That argument is that we're growing this program too fast and we're putting too many people in it who were not originally scheduled to be in it. The fact of the matter is when we wrote the original CHIP bill we provided for a system of waivers because we were afraid we didn't cover some things that should be covered, as you already know, major pieces of legislation.

What really bothers me is that the people complaining about CHIP costing so much today in this administration, by the way -- my administration -- the people who are

complaining are the ones who gave 14 -- well, the tail end of the Clinton administration, but primarily this administration gave 14 waivers to allow this program to go to many more people than we had originally planned it to go to. In fact, two states have more adults on the program than they do children. And that's caused a lot of angst. And a couple states are way over the 200% of poverty. People don't seem to -- well, let's put it this way.

The opponents seem to ignore the fact that this bill covers 92% of kids who are under 200% of poverty. Yeah, there's 8% or 9% that may be above that because of these, mainly these two states -- New York and New Jersey. But the vast majority of them have lived with this program. but we found that even with the moneys that we had in the original CHIP bill which happened to be \$45 billion over ten years, we only spent \$40 billion over ten years, that it wasn't enough to put all the kids who were he eligible on the program. And one of the higher costs we found -- and CBO has documented this. We rely on CBO around here. They're not always right, but at least that's the best we can do. CBO said that the high costs come from trying to locate the kids to get them in this program so that they have a shot at being healthy, so that they aren't liabilities to the society as a whole when they get older.

Now let me just say this, this program's very important. And we fought hard to keep the program within the \$60 billion, \$25 billion baseline and \$35 billion above the baseline, or a total of \$60 billion. At first those in the house wanted \$100 billion. Then they came down to \$75 billion. finally, to their credit, they acknowledged that we weren't going to be able to do any better than \$35 billion over the baseline, and Senator Grassley and I had to stick with that, in the hope that the administration would recognize how hard we'd worked, how important this program is, this program that they themselves would like to have, and how difficult it is to get the ten million kids on this that were not put on this program.

And to be honest with you, that program proved to not be enough. We lost out on a lot of kids that should have had this program. What we're trying to do is cover the kids that should be on this program, and they are basically kids of the working poor. we did add pregnant women because we thought that since this involves children and it's so important to have good prenatal care and post-natal care for the health and well-being of those children, that that's a logical, legitimate thing to do.

Now what really what bothers me about the arguments on the other side -- now, there are legitimate arguments. There always are on both sides. But what bothers me is we spend about \$1.9 trillion in health care in our society today each year. About \$1 trillion of it is in the private sector and about \$900 billion of it is in the public sector. And we're asking for \$60 billion out of \$1.9 trillion to help the kids that are left out of this program.

CBO says even at that, we will not put enough money into this program. And then we have the argument, well, this is leading to one size fits all government-mandated socialized medicine health care. I think you can make that argument on anything you do

on health care around here that involves government. I don't want to go to that. But on the other hand, I don't want to leave these kids high and dry either. So it's very, very important that we get this straight and do what's right here.

Now, I've appreciated the remarks of the distinguished senator from Massachusetts. Many on his side don't care to ever ask where's the money going to come from to pay for these things on the other hand, in a \$1.9 trillion budget, it seems to me \$60 billion is not too much especially since we're covering kids who should be covered who weren't covered in a program that virtually everybody says is important, virtually everybody says we ought to have. Just not as much. And even with the \$60 billion, it's my understanding, according to CBO, we will not really cover all of the kids that we should cover. But we'll cover most of them, which is a big, big improvement over what the current program is.

So I join with the distinguished Senator from Massachusetts, hoping that the administration will listen and maybe change its perception on this. Like I say, there are good arguments on both sides. I think the better argument is to try and do what we can for these kids. And that's work on an overall comprehensive health care bill that will save money, have less government intrusion, have more private-sector development and give people more opportunities of choice, and give them the choice to be able to bring costs down than the current system. And I think people of goodwill on both sides could probably do that if we really set our minds to do it, if we don't make this one great big political battle all the time.

Unfortunately it is a political battle over CHIP. According to some in the administration, I'm on the wrong side. I don't think so. I'm on the right side. And I believe this has to be done. That doesn't mean I'm not willing to modify and work and do what we can to come up with a comprehensive health care approach that emphasizes competition and opportunity that will cover everybody.

I'd like to get there, and this is a bill that doesn't necessarily take us away from getting there, but some of these arguments have been offered have been, I think, not very good or not very accurate.

Mr. Kennedy: Mr. President, I listened carefully to the Senator from Utah. I think I want to just say that the six million children that today are covered in all parts of the country including my state of Massachusetts would not be, if it wasn't for the Senator from of Utah -- there was a very important insistence that's been sort of lost in this whole discussion and debate.

The time that we have talked about this program I was very interested in expanding the Medicaid program and moving that up. We know the Medicaid deal was for the very poor. The real question was for the working poor for these programs. Senator Hatch insisted that we should not expand a government program that we have to let the states participate and involve itself, and this was a very contentious discussion in the debate, which eventually Senator Hatch was successful in winning.

And then it was going to be that we would establish the criteria at least for the kinds of services that were going to be provided within that kind of a program. And that was a very contentious kind of a program.

Again, Senator Hatch insisted that the state should make some judgments on this. And then we had the issues about trying to make sure about the inclusion, having more sweeping, and Senator Hatch stuck by his guns to make sure that the states were going to be the ones that were going to outreach and set up this program.

So those issues in terms of when we're talking about these clichés of socialized medicine, a Cuban type of medicine, for those that are really interested in the philosophical underpin underpinnings of this program and why it is different from other programs, if they go back and look and read carefully and read the legislation of the bill, I must say that Senator Hatch's position of insisting that the states be -- insisting that the states will be the full partners and the ones with the responsibilities is the fact.

And in credit to the Senator from Utah, the fact that so many Governors are in support of this legislation, not Democratic Governors, but Republican Governors because they have seen that they have both the responsibility and the opportunity to make a difference for their constituents.

So just a small factoid of the history of the development of this, but it's one that shouldn't be lost when people are thinking about whether this is just another kind of a program, governmental kind of program. The Senator insisted on principle on a number of these important philosophical issues, and the Senate, in a bipartisan way, came together to support the recommendations that eventually were worked out with members of the finance committee and Senator Baucus, Senator Rockefeller, Senator Chafee, our other colleagues, and many others on that.

But the underpinnings were the Senator from Utah, and I think history ought to reflect that. I thank you.

Sen. Hatch: Mr. President?

Presiding Officer: The senator from Utah is recognized.

Sen. Hatch: I want to thank my colleague. He's accurate on everything except one thing and that is the six million children that we were supposed to cover we really -- we did on an annualized basis, but really only about 5 million that were covered fully. And I just wanted to add that little bit because it's apparent that this program has worked. It's apparent that -- that it has worked well under this Administration as well as under the Clinton Administration.

It's apparent that it's helped millions of kids who otherwise wouldn't have been helped.

It's apparent that it's helped children of the working poor, but it hasn't helped all of them who deserve that help. And who, over the long run, if we help them today will save us money and problems in the future.

And, frankly, this is an important debate and I acknowledge that there are people who disagree with this. There were back then. but the fact of the matter is this is a program that's worked and this administration's worked it's worked, the governors have admitted it's worked and now it may be mired in some politics that I wish we weren't mired in.

My attitude is 'let's think of the kids.' If there's a way of improving it I'm certainly open to that, but we've come a long way in a bipartisan way to get to where we are, and that's not easy in a Congress that's been pretty partisan in many respects.

So I don't think some have really recognized how difficult it was to get to where we are and how many concessions that both sides have made, but in particular the House has made here. So, I think this has been an important part, maybe, of the debate here this morning.

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