

New Jersey Sues Bush Administration to Save Health Insurance for Children

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Rothman Strongly Supports New Jersey Lawsuit against Bush Administration to Save Health Insurance for Children (Hackensack, NJ) — Congressman Steve Rothman (D-NJ) strongly supports the lawsuit that Governor Jon S. Corzine filed on behalf of the people of the State of New Jersey to preserve health insurance for children. Specifically, the Governor's legal action challenges a letter issued by the Bush Administration limiting eligibility for the State Children's Health Insurance Program (CHIP). It accuses the Bush Administration of circumventing the public rule-making process by fundamentally and arbitrarily changing the program via a letter, which would have the effect of denying health insurance coverage for over 10,000 New Jersey Children.

"CHIP ultimately saves the health and lives of children. President Bush's attempt to deny health coverage for thousands of kids in our state is cruel and I believe the way he is trying to do it is unlawful," said Rothman, an attorney and former Bergen County Surrogate Court Judge. "The Executive Branch has a lot of power, but I do not believe it includes the power to devastate tens of thousands of lives through a simple letter. We have a public rule-making process for a reason."

According to the Office of Governor Corzine, in the August 17 letter, the Bush Administration informed states they would no longer receive reimbursements for children in families over 250% of the federal poverty level unless they meet onerous and unattainable conditions. New Jersey currently covers children in families up to 350% of the poverty level, having secured multiple waivers from the federal government, including one as recently as last year from the Bush Administration, to raise its income eligibility limit. New Jersey's Poverty Research Institute estimates that a family of four needs as much as 323% of its income to meet basic living costs in the Garden State.

"If some states must raise the income limits to meet local needs, then that is both their right and their duty. That the President and his conservative Administration don't understand this only demonstrates how far out of touch they are with the lives and stresses of the typical American family," said Rothman.

CHIP is funded by federal and state dollars, but it is by no means a free ride for those using it. This is because CHIP requires that co-payments and premiums are collected from eligible families with incomes above 150% of the federal poverty level. Those premiums can be as high as \$125 per family per month and co-pays can range from \$5 to \$35 in New Jersey. In fact, most CHIP beneficiaries are covered through private managed care plans.

Thanks to CHIP, over 120,900 kids in New Jersey have health insurance. CHIP is a free or low-cost health insurance option for children whose parents are not poor enough to qualify for Medicaid, but who do not have employer-based coverage or cannot otherwise afford private insurance.

Congressman Rothman is a member of the House Appropriations Committee, which funds CHIP. He recently voted for legislation to preserve CHIP coverage for the six million kids currently signed up and provide for another 4 million uninsured children who are eligible but not yet enrolled. That legislation would also reverse the President's directive against insuring children in families over 250% of the federal poverty level and allow states the flexibility to further expand CHIP. President Bush has threatened to veto the bill.

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