

States to test Bush on health insurance

by AP-News

EAST ORANGE, N.J. - Several states said Monday they would challenge the Bush administration in federal court over its new rules that block the expansion of a health insurance program for children from low-income families.

Arizona, California, Illinois, Maryland, New Hampshire, New Jersey, New York and Washington are joining in the litigation, either as plaintiffs or by filing supporting briefs.

The states object to rules issued by the Bush administration in August that make it harder for them to provide coverage to children in middle-income families by limiting the total income of families who participate.

The states accuse the administration of overstepping the federal government's authority to set income limits for participants in the State Children's Health Insurance Program.

Battle between Dems, BushThe lawsuit and supporting briefs, which will be filed in federal district court for the Southern District of New York, are another battle between Democrats and the Bush administration over the program that covers 6.6 million children from modest-income families that aren't poor enough to qualify for Medicaid. The federal program was set to expire but has been temporarily continued until Congress and the administration can reach a funding agreement.

Democrats want to expand the program by \$35 billion over five years, funded by new tobacco taxes, to allow a total of about 10 million uninsured children to participate nationwide.

Legislation recently passed by Congress would do that, but Bush has threatened to veto the measure.

"We are confident that our requirements are appropriate and will be sustained in a court of law," said Jeff Nelligan, a spokesman for the Centers for Medicare and Medicaid Services. "Our chief goal with SCHIP is to ensure that the poorest kids and those with no health insurance are placed at the front of the line."

The president wants to increase funding by \$5 billion over five years. Democrats argue that wouldn't even cover the 6.6 million children currently enrolled.

Coverage for 10,000 is at stake in N.J.New Jersey Gov. Jon S. Corzine told reporters that health insurance coverage for 10,000 poor children in his state is at stake.

"We frankly don't understand the administration's position," he said.

New Jersey's program, called FamilyCare, provides free and low-cost health care, immunizations, hospitalization, lab tests and X-rays, prescription drugs, dental and mental health services to 122,525 children and 89,050 adults. It costs the state \$480 million per year, with \$312 million paid for by the federal government.

Other governors expressed similar frustrations with the new policy.

"These barriers imposed by the Bush administration mortgage both the fiscal and health future of our nation," Maryland Gov. Martin O'Malley said.

New York Gov. Eliot Spitzer said the legal challenge was necessary.

"It sends a powerful and compelling message when the U.S. Congress, states across the nation and the public are so clearly committed to ensuring that families have access to affordable health care for their children."

Arizona Gov. Janet Napolitano's spokeswoman said the state has no direct stake in the dispute over the Bush administration's proposed rules but likely would file a supportive brief to the legal challenge.

In Napolitano's view, "this is just the right thing to do," spokeswoman Jeanine L'Ecuyer said.

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