



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Peter R. Orszag, Director

October 18, 2007

Honorable John D. Dingell
Chairman
Committee on Energy
and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In response to questions that we have been asked about the enclosed enrollment table that CBO circulated yesterday regarding the State Children's Health Insurance Program (SCHIP), two points are worth noting. First, as indicated in footnote 2 of the table, the enrollment figures are for SCHIP only. The Children's Health Insurance Program Reauthorization Act (CHIPRA) would also raise enrollment in Medicaid by 1.3 million in 2012 relative to the baseline. Second, as indicated in footnote 6 of the enclosed table, CHIPRA authorizes SCHIP only through 2012, and the figures for 2017 are therefore based on an extrapolation of CHIPRA beyond the legislation's authorization window. Under that extrapolation of CHIPRA through 2017, SCHIP and Medicaid enrollment combined would rise relative to the baseline.

If you have any further questions, please feel free to contact Keith Fontenot at 226-2800.

Sincerely,

A handwritten signature in black ink that reads "Peter R. Orszag".

Peter R. Orszag

Enclosure

cc: Honorable Joe Barton
Ranking Member

CBO Projections of SCHIP Average Monthly Enrollment (by fiscal year, in millions) /1/ /2/

	<u>2008</u>	<u>2012</u>	<u>2017</u>
March 2007 Baseline /3/	4.1	3.3	2.1
President's FY 2008 Budget /4/	4.9	4.0	2.9
Maintain current programs /5/	5.0	5.3	5.6
H.R. 976, CHIPRA /6/	not available	7.8	1.3

Note: SCHIP = the State Children's Health Insurance Program;
 CHIPRA = the Children's Health Insurance Program Reauthorization Act of 2007, as cleared by the Congress on September 27, 2007.

/1/ The figures in this table include the program's adult enrollees, who account for less than 10 percent of total SCHIP enrollment. These figures represent the average number of individuals who could be covered in a typical month. The total number of individuals enrolled at any time during the year would be about 170 percent of these figures. These figures do not include enrollment in the U.S. territories.

/2/ These enrollment figures are for SCHIP only. Relative to the baseline, the President's proposal and maintaining current programs would reduce Medicaid enrollment by shifting some children to SCHIP. In 2012, CHIPRA would also shift some children from Medicaid to SCHIP; however, in 2017 the reduced SCHIP funding levels under an extrapolation of CHIPRA would cause a shift in children from SCHIP to Medicaid. CHIPRA would increase Medicaid enrollment overall by providing financial incentives to states to enroll additional children.

/3/ Title XXI of the Social Security Act authorizes SCHIP through 2007. Consistent with statutory guidelines, CBO assumes in its baseline spending projections that funding for the program in later years will continue at its 2007 level of \$5.0 billion.

/4/ The Administration proposes funding of \$5.0 billion in 2008, \$5.3 billion in 2009, and \$6.5 billion in each of fiscal years 2010 through 2012.

/5/ Assumes increases in funding sufficient to account for increases in health spending per enrollee and the projected number of enrollees (due both to population growth and increases in the number of uninsured). Also assumes no change in eligibility rules or benefit packages after 2008.

/6/ CHIPRA authorizes SCHIP through 2012. For budget scoring purposes CBO has projected spending under CHIPRA through 2017, based on the funding level at the end of 2012 --- an allotment of \$3.5 billion per year. The 2017 enrollment figures shown there reflect that extrapolation.