



For Immediate Release: September 18, 2006

Barrow Bill Targets PeachCare Funding Shortfall

Georgia's 12th District Congressman to introduce the "Keep Our Kids Covered Act"; legislation will help cover PeachCare's projected federal funding gap

Savannah, GA – Speaking at Memorial Health University Center, 12th District Georgia Congressman John Barrow (D-Savannah) today discussed new legislation he plans to introduce this week that directly addresses the recently announced \$140 million funding shortfall facing PeachCare, the state's children's health insurance plan.

"The rising cost of health care is a financial and moral crisis that affects every American," Barrow said. "Many working families are struggling just to afford basic coverage, while others can't afford it at all. And nearly 20% of the uninsured in our country are children – the most vulnerable among us."

"Here in Georgia, PeachCare has helped hundreds of thousands of children get the health coverage they need," Barrow continued. "It's been extremely successful. That's why it's important that Congress fix the projected federal funding shortfall, so that we don't turn back the clock on the progress that's been made here, or keep any eligible child from enrolling."

Georgia's PeachCare program is funded by both the state and federal governments. The federal share is provided under the State Children's Health Insurance Program (SCHIP). Last month, the State of Georgia announced that it was facing a \$140 million shortfall in funding for the program. Georgia is not the only state facing a projected shortfall. In the next federal fiscal year (FY 2007), which starts in two weeks, at least 17 states – including Georgia – will have insufficient federal funding to sustain their existing SCHIP programs.

According to various estimates by the Centers for Medicare and Medicaid Services, the Congressional Research Service, and the Center on Budget and Policy Priorities, the aggregate federal funding shortfall among the states is projected to be \$800 million to \$950 million.

If passed by Congress, the "Keep Kids Covered Act of 2006" would provide the funding needed for those States expecting shortfalls to ensure their programs are fully funded and are able to continue operating without disruption in coverage for children. The bill will provide funding equal to the State's anticipated shortfall, based upon spending data submitted by the States to the Centers for Medicare and Medicaid Services.

In February 2006, PeachCare insured over 220,000 low-income children in Georgia. Nationally, similar state administered programs across the country provided health insurance for 6.2 million children in 2004. If the projected shortfalls are not dealt with quickly, over 500,000 children could lose their health insurance coverage.

“If states like Georgia are forced to cut enrollment because of funding shortfalls, many of the low-income children now enrolled in PeachCare will lose their health coverage,” Barrow said. “Congress created programs like PeachCare, and we have an obligation to adequately fund them. Now’s the time to act, and act quickly.”

###

www.barrow.house.gov
(202) 225-2823