

From the 'virtual editorial board'

Following are excerpts from the Camera's virtual editorial board deliberations (see www.dailycamera.com) about this Sunday's editorial topic, which is the proposed expansion in federal health-care coverage for lower-income children that is facing a veto by President Bush. The submissions are signed with the writers' screen names:

It is "heartless and cruel" and politically unwise ... but the president is correct.

As anyone who understands the problems of this earth understand, it is not good to bring more children into this world.

Everything that encourages the production of children — that lowers the cost of the production of children — is a policy that heads us in the wrong direction.

Yes, the current crop of children will suffer. But future generations will suffer even more if we implement this insane policy.

"RalphShnelvar"

"Democrats and many Republicans say the political debate is threatening the health of children." SCHIP is basically Medicaid for Kids. But as I noted in an Aug. 26 Guest Opinion (see www.tinyurl.com/25gakc for the Daily Camera article), Medicaid provided lousy health care, promotes government dependence, and crowds out private insurance. If you care about kids, extending SCHIP is a bad idea. But if you just want to spend other people's money to live with the illusion that government can "make it all better," and feel like a "compassionate" person, go for it.

I'd add some comments on SCHIP from a Cato Institute Briefing Paper by Michael F. Cannon, called "Sinking SCHIP." This can be found on-line by Googling, surprise, surprise, "Sinking SCHIP."

Point 1: Should government compete with insurance companies?

Consider the following from Cannon's report: "When Congress created SCHIP in 1996, more than 60 percent of eligible children already had private health insurance. In 2005, about 55 percent of SCHIP-eligible children had private health insurance."

Point 2: Does SCHIP serve the poor?

Consider the following from Cannon's report: "Depending on the state, SCHIP now provides health insurance to children in families earning up to 350 percent of the federal poverty level or more. For a family of four, that is the equivalent of nearly \$72,000 per year. New York wants to increase its SCHIP eligibility cutoff to 400 percent of the FPL, or roughly \$82,000 per year for a family of four. Nationwide, an estimated 89 percent of children in families earning between 300 percent and 400 percent of the FPL already have private coverage. As a basis for comparison, median family income for all families in 2005 was just over \$56,000."

Point 3: Does SCHIP even serve children?

Consider the following from Cannon's report: "Finally, SCHIP also enrolls some 670,000 *adults*."

Point 4: Should a government program discourage people from being self-sufficient, and hence depend on government?

Page 5 of Cannon's report has a graph showing Earnings vs. Income for a single mother with two children. Writes Cannon: "The combination of progressively higher taxes and the progressive loss of government subsidies means that even if she increases her earnings from about \$15,000 to \$45,000, her net income remains the same at about \$40,000. Of the \$30,000 she adds to her earnings, she loses \$4,000 to taxes and \$26,000 to reduced benefits. As a result of programs such as SCHIP, low-income families in New Mexico and other states face marginal effective tax rates that can exceed 100 percent. Such families have almost no financial incentive to achieve self-sufficiency, because increasing their earnings often has zero effect on their actual income. Expanding SCHIP would magnify those powerful disincentives to increase family earnings and would ensnare even more families in what economists call the "low-wage trap" created by such programs."

"BrianSchwartz"