

# **Deficit Reduction Act 2006: Violating the Human Rights of Children**

**National Health Law Program**

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## **Background**

On February 1, 2006 the United States Congress passed the Deficit Reduction Omnibus Reconciliation Act (DRA) of 2006 by a very narrow margin, 216-214. This serves to undermine the right to health of children in this country.

DRA slashes funding to Medicaid, the state and federal partnership that provides health coverage for selected categories of people with low incomes. DRA cuts Medicaid funding by \$28.3 billion dollars over the next 10 years.

The Congressional Budget Office (CBO) Reports that these cuts will disproportionately harm our nation's most vulnerable citizens - poor children. The CBO reports that this bill will cut 110,000 people from Medicaid by the year 2015, 60% of them being children.

## **Alarming Changes to Medicaid in the DRA that Impede Access to Health Care for Children**

- For the first time since Medicaid was enacted, premiums and copayments can be charged for children's doctor visits, lab work and hospital stays. These seemingly small payments that are now required will have a large effect. The Missouri Social Services Department reported that in 2005 between February and December, due to newly instituted premiums, 98,853 people were dropped from the state Medicaid rolls and of that number 43,409 were children.
- All children, *including* those below the federal poverty line can be charged a copayment on a prescription drug if the drug is not on their state's preferred drug list.
- Providers now have the ability to deny health care services to children whose families are unable to meet copayment or premium payments.
- Applicants to Medicaid will now have to provide birth certificates, or passports to prove a child's citizenship status in order to qualify for Medicaid benefits. There is no indication that the prior procedure of self-declaration was problematic.

## **DRA Violates the Human Rights of America's Children**

The United States ratified the International Covenant on Civil and Political Rights (ICCPR), and agreed to pursue the ideal that all American citizens would have the right to life, and therefore, health. The United States government enacted the DRA, and then days later proposed an additional \$13.6 billion in cuts to Medicaid over the next 5 years in the proposed fiscal budget of 2007. The U.S. needs to make a concerted effort to move in the direction of securing health programs and human rights for more of its poor children, not limiting those who qualify for them.

## WHY ARE THESE CUTS TO MEDICAID OF SUCH GREAT IMPORTANCE?

*“The federal government administers a number of health care programs which are designed to ensure that all children in the United States receive adequate care, free of charge if necessary.”*

---United States Report on the International Covenant on Civil and Political Rights in regards to Article 24 (Special Protection of the Children).

This statement, implying that all children have access to health coverage, is simply misleading. Despite the fact that the Medicaid program and the State Children's Health Insurance Program (SCHIP) exist, there are still millions of children in need; 12% (or 9 million) children in this country have no health insurance.

Furthermore, the more poor a child is, the more likely it is that she is without healthcare. Three quarters of

uninsured children live in families with household incomes below 200% of the federal poverty level (\$40,000 for a family of four in 2006).

Why is Medicaid so important? Medicaid is a vital element to the healthcare of children in this country. One third of all children's births are covered by Medicaid. In addition, Medicaid covers 30% of all pediatrician visits. Through Medicaid's early and periodic screening, diagnostic and treatment program (EPSDT), a comprehensive set of services is provided for eligible children in America including physician and hospital visits, well-child care, vision care and dental services.

Up until now, Medicaid and SCHIP have more than offset the decline in employer-sponsored coverage for poor and lower-middle class children. However, many children are not covered by the program – either because they face enrollment barriers even when eligible or because they do not qualify because, for example, of their state residency or immigration status.

The cuts to Medicaid in the Deficit Reduction Act of 2006 (DRA) were made in the name of “balancing the federal budget.” However, children account only for 17% of the program spending, even though they make up over one half of all Medicaid enrollees. The United States continues to seek to provide more tax benefits to the wealthy, while making health coverage out of reach to tens of thousands more, on top of the 9 million children already uninsured.

The United States does have in place extensive and broad programs to help ensure access to health care for America's poor children. But, the DRA and the proposed budget cuts for fiscal year 2007 undermine the very programs that the U.S. touts as helping to fulfill its obligations under the ICCPR.