

# The 'SCHIP Plus' Alternative: An 8-to-1 Win for Kids

The vetoed SCHIP bill would give government-run health care to 1.2 million new children. But a tax relief option means private insurance for 8 times as many—10.5 million kids.\*

A federal tax credit for health insurance is the better alternative.

The State Children's Health Insurance Program (SCHIP) should continue in its original purpose: covering children in low-income families earning less than twice the federal poverty line—as high as \$41,300 for a family of four.

For families with incomes two to three times the poverty line—up to \$61,950 for a family of four—the best way to make coverage more available and affordable is to offer a federal tax credit to buy private insurance.

Many middle-income families struggle with the escalating cost of family coverage. They already

send thousands of dollars a year in taxes to Washington.

Why should these families be dumped into a government-designed health-care program? Why can't they keep their hard-earned dollars and choose private, high-quality coverage that best suits their needs?

## Number of Children—Now Uninsured or on Private Plans—Who Would Benefit from a Tax Credit to Help Their Families Pay for Private Health Insurance

State	Uninsured	Private	Total	State	Uninsured	Private	Total
Alabama	2,165	122,128	124,294	Montana	5,787	31,251	37,038
Alaska	1,848	12,757	14,605	Nebraska	6,141	73,155	79,297
Arizona	39,935	126,759	166,694	Nevada	21,374	100,997	122,371
Arkansas	16,063	67,166	83,229	New Hampshire	4,266	36,830	41,096
California	256,637	916,041	1,172,678	New Jersey	54,384	211,424	265,808
Colorado	22,585	143,367	165,952	New Mexico	12,838	46,076	58,914
Connecticut	5,967	82,564	88,531	New York	57,550	417,186	474,736
Delaware	3,936	27,443	31,379	North Carolina	27,307	254,226	281,532
District of Columbia	392	8,403	8,796	North Dakota	2,698	15,569	18,266
Florida	119,646	482,886	602,532	Ohio	46,694	411,669	458,362
Georgia	40,789	205,543	246,332	Oklahoma	15,290	87,771	103,062
Hawaii	6,229	40,746	46,974	Oregon	12,849	102,894	115,744
Idaho	11,431	65,682	77,113	Pennsylvania	44,182	339,744	383,926
Illinois	52,403	405,138	457,541	Rhode Island	2,403	23,136	25,538
Indiana	44,576	257,291	301,868	South Carolina	19,026	142,444	161,470
Iowa	12,641	119,679	132,320	South Dakota	1,969	25,212	27,181
Kansas	10,425	92,352	102,777	Tennessee	16,133	160,676	176,809
Kentucky	11,682	145,319	157,001	Texas	206,381	617,697	824,078
Louisiana	18,124	120,294	138,418	Utah	21,767	119,518	141,285
Maine	3,578	31,502	35,080	Vermont	2,040	8,969	11,009
Maryland	31,989	150,822	182,811	Virginia	27,861	157,630	185,491
Massachusetts	25,595	163,788	189,384	Washington	19,151	173,991	193,142
Michigan	27,524	285,113	312,637	West Virginia	9,260	56,609	65,869
Minnesota	16,531	151,054	167,586	Wisconsin	14,369	163,062	177,430
Mississippi	16,196	87,237	103,432	Wyoming	2,568	18,303	20,871
Missouri	28,280	183,504	211,784				

Source: Heritage Foundation calculations from the March 2006 Current Population Survey, U.S. Bureau of the Census

\* Based on preliminary estimates by the Lewin Group, by 2009 1.3 million uninsured children would gain private coverage through such a tax credit. The tax credit would help another 9.2 million children keep existing private coverage, for a total of 10.5 million kids.