

THE HONORABLE MIKE HUCKABEE
GOVERNOR OF ARKANSAS
Official Testimony
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Each day people lie in hospital beds.....hold the hands of loved ones.....and endure the pains of treatment or therapy.....all the while knowing their very life is dependent on the resources available to them to pay for the ever-rising expenses of simply staying alive.....

It is a place where all of us pray we never find ourselves - exposed and vulnerable to the symptoms of sickness where *money* rather than *medicine* governs whether one more day can be endured.

Through the last half century.....children's healthcare has become a discussion for politicians while parents sit and wait for pundits to offer suggestions.....If we could measure the impact partisan wrangling has made on the lives of children....I am afraid we would be astonished at the great cost and toll for America's future.

In a nation with millions of uninsured children, political leaders must combine warm hearts and cool heads to discover, develop, and deliver responses to the difficulties facing America's children.

We cannot afford to champion a cause where the cure is worse than the disease.....The stakes are far too high.....The choices we make mean the difference between life and death.

Upon taking office in 1996, I realized there were far too many children in Arkansas who had no health insurance at all.....They were left unprotected with no provision for any illness which might come their way.

Many of these children had working parents who did long to provide for their needs, but either could not afford insurance premiums provided by their employers or did not know they were eligible for public assistance.

Even those who knew of their eligibility refused the option because of the complexities of the enrollment process as well as their desire to avoid the stigma of welfare.....These parents longed to contribute in cost sharing ventures for their children (much like those found in an HMO), but could find no affordable program.

ARKids First was founded to remedy that problem.....ARKids was enacted BEFORE the S-CHIP program and had the support of a Republican Governor and a Democratic legislature.

One phone call combined with proof of income and a simple application was all parents needed to enroll in the program.....The results have been remarkable.....Our latest count from the month of June shows that over 55,000 Arkansas children are enrolled in ARKids First.....

Almost 70,000 children have been served since the program began in March, 1997.

Why has this been possible?Largely through the insight of the federal government allowing states to receive the flexibility and customizing power to meet the specific needs of their state.

The numerous public programs now available to states in block grants have enabled the states to empower their citizens to action and responsibility over their lives.

Mr. Chairman, I want to thank you and the other members of this committee for your efforts to restore funding for Social Services Block Grants because they really do help us combat illness, poverty and genuine need at the levels closest to the American people.

I will tell you there are many Governors who were disappointed in the approach taken by the Senate Appropriations committee..... We applaud your swift response to correct this error and you have my personal pledge to work with you and your colleagues to help restore funding for locally-designed programs that really do help people in need.

In Arkansas, we have reduced our welfare roles over 40%..... We are seeing for the first time an increase in education and training by some who have never worked..... In fact, the latest figures show that our unemployment rate has dropped to its lowest rate on record in state history.

Churches and private foundations are stepping up to the plate to do what government never could or should.....We have learned that a check never substitutes for a church and a government agency never takes the place of a family.

Yet, we have also learned that progress is not without its pitfalls.....Success is not always lauded and heralded by all.

Naysayers and those who would seek to stifle reforms working so well constantly seek to over-regulate and rescind policies which require responsibility, motivation, and change for success to actually materialize.

Laws and regulations can often stymie rather than stimulate - preventing progress rather than providing for new horizons.....A case in point is the bill before us today.....It seeks to correct a problem now wreaking havoc for disabled children and their parents.

Perhaps a simple reminder is in order.....When studying the effects of any given policy, we must trace not merely the immediate results but the long term consequences affecting those in the future well beyond our direct scope of sight.

Last year's passage of the Work Incentives Improvement Act made possible the opportunity for workers to confidently move in the direction of their dreams without fear of losing Medicaid coverage should the fruits of their labor grant them success and higher wages.

This has led to increased numbers of people entering the workforce and staying there rather than constantly fluctuating from job to job hoping to make only enough to keep their Medicaid coverage.

Before this act was passed, the current policy was a prescription for failure which blocked the natural consequences which followed hard work..... It virtually shackled people in fear and despair where the downward spiral of poverty was their only vision of their futures.

Likewise, the same principle applies to children with disabilities.....When private insurance does not cover the needs of their child, many are forced to quit work in order to become Medicaid eligible.

Case studies are showing divorce has actually been heralded as an option for families to afford medical expenses.....It seems once again government regulations have become the enemy of the family.....We must now reverse this trend insisting the government rethink its position.

Dani Wilson and her husband live in Eureka Springs, Arkansas.....They are the proud parents of Alex who has just turned three years old.....Alex was born with Downs Syndrome and requires physical therapy as well as speech and occupational therapy.

The Wilsons spend around \$85,000 on Alex's medical bills.....To help combat the money crunch caused by this problem, they sold their restaurant with the hopes of being better able to provide for their children.

Her husband would get a new job and the extra money would help them get ahead.....All seemed to be going well until she talked to some folks at Social Security.....In order to remain eligible for Medicaid, David would be forced to refuse the good job offered him and remain below a certain income level.

Why should a families who are barely getting by have to risk medical treatment for their children when they make minor improvements to their income?Nothing could be more harmful to a family than to be forced - under threat of being thrown off Medicaid - to avoid work and not pursue better opportunities.

The Wilsons are not alone.....Dan and Kathy Billingsly of Palestine, Arkansas are farmers.....Both of their children - Katy and Zack - were born with a life-threatening illness called adrenal hyperplasia.

It requires expensive medicine and frequent visits to the specialists at the Arkansas Children's Hospital.....Katy died in 1990 due to complications associated with this disease.

They currently pay \$642.00 per month for Zack's health insurance.....Zack's case was put under coverage with TEFRA and he has made remarkable progress.....Soon, the Billingsly family received a letter informing them they were being dropped from the program because Zack was doing so well that he could no longer be classified as disabled and their income level had grown beyond required levels.

They do not know how much longer they can keep up with the rising demands of insurance premiums.....They feel as if they have been penalized for doing well and working hard both to maintain a steady income in farming and with Zack's health problems.

Certainly, these represent thousands more who desperately need health coverage but who refuse to sit idly by hoping some government agency will help them to work their way out of poverty.....How can we continue to penalize people for working and endangering the life of their children?.....This must stop.

This bill gives states the option and flexibility to create and customize more avenues for special needs all the while maintaining strict levels of accountability.....It encourages progress for the family and makes possible a way for higher wages not to mean cancelled benefits.....It places government on the side of the people where it should belong.

It will establish the passage where the character of citizens is prized above coercive regulations.....No child and no family should be the victim of a process which conspires against the very foundational principles on which we have existed for over 200 years.....This act will restore principled leadership from all of us as leaders who rightly see our roles as servants of citizens - not the other way around.

The Family Opportunity Act of 2000 will begin to help end this problem, and in turn, help end the plight of poverty for many American families.

I encourage your favorable passage of the bill and thank you for your time.