

HCFA Issues CHIP Waiver Rules; New Reports Chart Progress

The Health Care Financing Administration (HCFA) released guidelines on July 31 for states seeking to create demonstration programs under the State Children's Health Insurance Program (CHIP). Similar waiver programs—state-initiated experiments to evaluate new approaches to providing health care that are not otherwise permitted by federal law—have been implemented by many states under Medicaid, including 13 that expand eligibility for family planning services (see related story, page 1). CHIP, unlike Medicaid, was designed to give states broad flexibility in providing health care coverage to uninsured, low-income children. The new guidelines go further, allowing CHIP funds to be used for other purposes, such as expanding coverage to other, related populations, including parents; providing supplemental benefits or developing public health initiatives for children; or promoting enrollment of children eligible for other benefits, such as free and reduced school lunches. The guidelines set several requirements before states may seek waivers, including at least one year of experience providing assistance under CHIP, coverage of children up to age 19 and up to at least 200% of the federal poverty level, and demonstrated success in reaching, enrolling and retaining eligible children. Notably, HCFA will not allow states to waive the statutory provision that caps non-health insurance expenditures, including outreach and enrollment efforts, at 10%.

The new CHIP guidelines were released within weeks of two new studies addressing states' successes under the program and barriers to enrollment in CHIP and Medicaid. A report by the Children's Defense Fund, *All Over the Map*, details

states' programs and ranks each state on its average monthly progress. It also makes recommendations for achieving such goals as maximizing eligibility, simplifying and coordinating CHIP and Medicaid enrollment, improving and expanding outreach, and securing coverage for parents. A separate report, by researchers at George Washington University's Center for Health Services Research and Policy, finds that Medicaid's historical association with welfare is not a barrier to Medicaid and CHIP enrollment, contrary to conventional wisdom. However, other fears—of intrusive questions during the enrollment process and of discrimination by providers—do affect individuals' decisions about enrolling, as does the experience of having applied for benefits at a welfare office.

Nonmarital Birth Reductions Rewarded, Bonus for Marriage Set

The Department of Health and Human Services (DHHS) on September 15 announced the second of four annual awards to the five U.S. jurisdictions experiencing the greatest declines in their nonmarital birthrates; in order to be eligible, the recipients were also required to show a reduction in their abortion rates. The \$100 million "illegitimacy bonus"—established by the August 1996 welfare reform law that set the reduction of out-of-wedlock pregnancies as one of four core goals of the Temporary Assistance for Needy Families (TANF) program—was split evenly among Alabama, Arizona, Illinois, Michigan and the District of Columbia. Three of those jurisdictions—Alabama, Michigan and the District of Columbia—also received the award last year. In fact, 45 states, four U.S. jurisdictions and the nation as a whole actually experienced increases in the proportion of out-of-wedlock births to total births between 1995–1996 and 1997–1998.

Moreover, the reductions observed in the winning jurisdictions ranged from moderate (4.13% in the District of Columbia) to infinitesimal (0.022% in Illinois). DHHS officials declined to speculate on the factors behind states' rate changes and noted that two of the four years used to calculate this year's awards predate the establishment of the bonus.

Just two weeks earlier, DHHS released final regulations for distributing \$200 million annually for "high performance" related to other core TANF goals. In previous years, DHHS has awarded this money based solely on a series of work-related measures. Starting in FY 2002, DHHS will also include a series of measures related to self-sufficiency and one measure related to family formation and stability. The latter measure, reflecting the TANF goals of promoting marriage and encouraging "the formation and maintenance of two-parent families," will reward 10 states with the greatest increase in the proportion of children residing in families headed by a married couple. DHHS will allocate \$10 million to these states, based on the relative size of their TANF grants. The self-sufficiency measures focus on participation in specific support programs: food stamps, child care assistance, Medicaid and the State Children's Health Insurance Program.

Abortion Surfaces As Key Issue in Mexican Politics

An attempt by conservative lawmakers in one Mexican state to eliminate the right to abortion for women who have been raped has sparked national debate and prompted another state and the Federal District (Mexico City) to liberalize their own laws. The precipitating move was a narrow August 3 vote by the National Action Party (PAN) in the state of Guanajuato to eliminate the

rape exception in the state's law criminalizing abortion. Coming on the heels of Vicente Fox's historic July 2 victory in the Mexican presidential election, the action by legislators in Fox's own party, and in his home state, stoked concern over the national agenda of the right-of-center PAN. Women's rights groups had already mobilized around the case of a 14-year-old rape victim in another PAN-controlled state who gave birth in April after being pressured by state, health care and religious officials to drop her request for a legal abortion.

In response to the controversy, the Mexico City government eased the Federal District's ban on abortion by adding several new exceptions, including to preserve the woman's health, and reducing the prescribed prison terms. Legislators in the state of Morelos followed suit by also approving new exceptions; the state's governor, a member of PAN, has indicated that he will sign the measure. Fox and other national PAN leaders distanced themselves from the Guanajuato legislation, and the local governor vetoed it on August 29 with the support of an opinion poll he commissioned. Meanwhile, leaders of the Catholic church endorsed a complete ban on abortion and threatened lawmakers or others who promote or participate in abortion with excommunication.

All 31 states and the Federal District outlaw abortion, with imprisonment for both the woman and the doctor, but most allow exceptions for rape and to preserve a woman's life and some do so for fetal defects or to safeguard a woman's health. The Alan Guttmacher Institute estimated that over 500,000 illegal abortions were performed in Mexico in 1990 (at a rate similar to that of legal abortions in the United States), leading to the hospitalization of more than 100,000 women for complications. As is the case throughout most of Latin Amer-

ica, higher-income women are usually able to afford safe, professional (but still illegal) care, while many lower-income women resort to dangerous clandestine procedures or traditional remedies.

Nonoxynol-9 Product Fails to Show Protection Against HIV

Hopes that a product containing nonoxynol-9 (N-9)—the active ingredient in most spermicides—could also protect women against HIV and other sexually transmitted diseases (STDs) were dashed following the release of a study at the 13th International AIDS Conference in Durban, South Africa, in July. Since N-9 kills HIV as well as bacteria that cause several STDs in the test tube, researchers had hoped that COL-1492, more commonly known as Advantage-S, could be used as a microbicide. Over a four-year period, they tested the product against a placebo in a study involving 990 sex workers in four developing countries.

However, preliminary study results indicate that COL-1492, rather than protecting against HIV transmission, may actually increase the risk of infection, possibly by creating small lesions in the vaginal wall that make women more vulnerable. Still, important questions remain unanswered. While there clearly was a higher rate of HIV infection in the group of women using COL-1492 than in the group using Replens, a vaginal moisturizer, it is unclear whether COL-1492 increases susceptibility or Replens is protective, or a combination of both. Furthermore, it is also unclear whether and to what extent the frequency of COL-1492 use among the sex workers—who reported an average of 3.6 partners a day—may have been a contributing factor. Just what the study's findings mean for the continuation of other U.S.-funded studies involving N-9—

and for women's use of spermicides containing N-9—remains to be seen. Experts will gather at the end of the year at the World Health Organization to review the status of N-9 and what messages women should be given regarding the use of spermicides that contain it.

Meanwhile, the COL-1492 trial results have attracted the attention of reproductive rights opponents Reps. Tom A. Coburn (R-OK) and Joe Pitts (R-PA). In August, they requested that the General Accounting Office (GAO) investigate the federal government's involvement with the purchase and distribution of condoms containing N-9. Specifically, they have asked GAO to determine the numbers of condoms with N-9 purchased either directly or indirectly by the federal government and distributed domestically and internationally. The request also asks GAO to determine what harm, in terms of new HIV infections, may have been caused by such distribution.

NIH Releases Stem Cell Research Guidelines

The National Institutes of Health (NIH) released on August 23 its long-awaited guidelines that, for the first time, will allow federal funding for research using stem cells derived from human embryos and fetal tissue; these cells are widely believed to hold promise in the treatment of diabetes, spinal cord injury and neurological disorders such as Parkinson's and Alzheimer's diseases.

The guidelines closely follow the parameters of the legal opinion provided by the Department of Health and Human Services in December 1999, which reasoned that although current federal law restricts the use of public funds for human embryo research, it does not prohibit stem cell research "because such cells are not human embryos." The guidelines

prescribe the documentation and assurances scientists must submit to NIH for federal grant money to study stem cells derived from both human embryos and fetal tissue. For research using embryonic stem cells, the guidelines stipulate that federal funding may not be used for the destruction of human embryos (the inevitable end-product of obtaining the cells), meaning that privately funded researchers will have to provide the useful cells. Moreover,

the guidelines allow the use only of cells derived from excess frozen embryos that had been created for fertility treatments.

Meanwhile, the Senate has under consideration legislation introduced by Sens. Arlen Specter (R-PA) and Tom Harkin (D-IA) in January 2000 to eliminate altogether the ban on the use of public funds for human embryo research. If passed, the measure would allow scientists to use federal funds to derive stem cells

from human embryos for research. Groups representing Parkinson's disease and diabetes patients testified before the Senate Appropriations Subcommittee on Labor, Health and Human Services and Education in September about the need for such funding. A vote on the issue in the Senate has been promised before Congress adjourns in October, but no similar action is anticipated in the House. ☉