

Congress of the United States
Washington, DC 20515

March 3, 2015

The Honorable Fred Upton
Chairman
House Committee on Energy and Commerce
2183 Rayburn House Office Building
Washington, DC 20515

The Honorable Orrin G. Hatch
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Frank Pallone, Jr.
Ranking Member
House Committee on Energy and Commerce
237 Cannon House Office Building
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

RE: Children's Health Insurance Program (CHIP)

Dear Chairmen Upton and Hatch and Ranking Members Pallone and Wyden:

We write in regards to the Children's Health Insurance Program (CHIP) and respectfully request you extend the funding through 2019 and work to address "the family glitch". As you know, federal funding for this successful program is set to expire in September of this year, therefore immediate action is needed.

CHIP was enacted in 1997 to provide health insurance coverage for uninsured children and pregnant women in low- to moderate-income families who have annual incomes above Medicaid eligibility levels. Over the past 18 years, enrollment has steadily grown to cover nearly 8.5 million individuals. It has helped lower the uninsured rate among low-income American children from 25 percent in 1997 to 13 percent in 2012.

CHIP was modified and extended under the Affordable Care Act (ACA) in 2010 through Sept. 30, 2015. This modification provided \$19.1 billion for fiscal year (FY) 14 and \$21.1 billion for FY15. However, under current law, there are no new funds for CHIP at the end of FY15, which would force participants to find alternative health coverage. The 2010 modification also requires states to maintain eligibility standards through 2019. The difference in the 2015 expiration for federal funding compared to the 2019 maintenance of eligibility requirements creates a critical unfunded gap from October 1, 2015 through 2019.

CHIP is a federal-state partnership whereby the federal government sets basic requirements for CHIP, but states have the flexibility to design their own version of CHIP within the federal government's basic framework. CHIP has strong bipartisan support at the state and federal level. Under the current CHIP program, the federal government reimburses states for a portion of every

dollar they spend on CHIP up to state-specific annual limits. States rely on these funds to ensure their health needs are addressed. At your request, forty governors (20 Republicans and 19 Democrats) sent letters to Congress this past December regarding extending the program, noting how vital it is in their respective states. They all favorably supported an extension of CHIP funding. It is imperative that we act soon on CHIP considering that state legislatures are beginning to convene and determine their respective fiscal year budgets. Furthermore, they expressed that the states would like to know CHIP's future with sufficient lead time to determine their budgets, since many will be convening for session next month to set the budget for the July 2015-July 2016 fiscal year. As a result, they need to know the fate of this federal-state partnership program. As members of Congress, it is our responsibility to demonstrate our commitment to proven programs, such as CHIP, that are focusing on the needs of the children in their states.

It is in the country's best interest that our children have access to quality, affordable health care. Catastrophic effects are highly probable without CHIP. Studies show that having access to health insurance as a child improves educational achievement. Uninsured children are more likely to go without immunizations and miss school because of untreated illness. Health coverage keeps children in good health. Good health means that children's brains develop on track and they enter school ready to learn. Without the coverage, they are also more likely to seek care in emergency rooms due to their decreased access to primary and preventive care. This influx of children and families in emergency rooms will cripple the ability of hospitals to treat more life-threatening injuries.

While we work on the funding aspect of CHIP, we should also focus on "the family glitch." The family glitch is a regulation that keeps children and some adults from obtaining Marketplace coverage and tax credits if one parent has employer coverage that is deemed "affordable," even if family coverage is not affordable. This "family glitch" threatens to leave nearly a half million kids without health insurance. Without CHIP, that number would rise into the millions.

We believe that CHIP continues to be a very successful program. It is our sincere hope that we can work together to ensure that the program is, at a minimum, fully funded through FY 19, as well as strengthened by addressing "the family glitch" regulation. Thank you for your time and consideration. If you should need any additional information, please do not hesitate to ask.

Sincerely,



Alcee L. Hastings
Member of Congress



Corrine Brown
Member of Congress



Theodore E. Deutch
Member of Congress



Lois Frankel
Member of Congress

Alan Grayson

Alan Grayson
Member of Congress

David Jolly

David Jolly
Member of Congress

Patrick Murphy

Patrick Murphy
Member of Congress

Debbie Wasserman Schultz

Debbie Wasserman Schultz
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Frederica S. Wilson

Frederica S. Wilson
Member of Congress

Owen Graham

Owen Graham
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