



September 12, 2017

The Honorable Orrin Hatch  
Chairman  
Senate Committee on Finance  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member  
Senate Committee on Finance  
Washington, DC 20510

The Honorable Greg Walden  
Chairman  
House Committee on Energy & Commerce  
Washington, DC 20515

The Honorable Frank Pallone Jr.  
Ranking Member  
House Committee on Energy & Commerce  
Washington, DC 20515

Dear Chairman Hatch, Senator Wyden, Chairman Walden and Representative Pallone, Jr.:

On behalf of California's eight private, not-for-profit, freestanding children's hospitals, the California Children's Hospital Association (CCHA) writes to urge you to promptly pass a clean reauthorization of the Children's Health Insurance Program (CHIP) for at least five years, at current funding levels, to provide certainty for states, families, pediatric hospitals and providers.

Since its adoption in 1997, CHIP, together with Medicaid, has helped reduce the number of uninsured children nationally by 68%. Nearly 97% of children in California have health care coverage today, the majority of them through Medi-Cal, the state's Medicaid program, and CHIP<sup>1</sup>. In particular, CHIP funding helps ensure children and pregnant women from working families with income up to 266% of the federal poverty level have affordable access to health care services with lower cost-sharing than they could find on the individual market. CHIP is also a critical source of funding for children's hospitals and pediatric providers. Approximately 64% of the children treated at our hospitals are Medi-Cal/CHIP eligible, and of the 1.86 million out-patient visits provided by our hospitals each year, nearly 1.2 million of them involve Medi-Cal/CHIP children.

It is also important to note that funding for Medicaid/CHIP does not just benefit low-income children. Because of the expertise involved and the relative uniqueness of so many pediatric health care

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<sup>1</sup> In California, CHIP-eligible children and pregnant women are enrolled in Medi-Cal.

conditions, children with life-threatening, complex conditions rely on the same pediatric specialists, regardless of who pays for their medical care. The stability of the regionalized network of pediatric experts depends on both public and private payers. In other words, a lapse in CHIP funding would not just harm children in the Medicaid program - it would also harm access to care for all children with complex medical needs. Moreover, research clearly shows that children who are covered by Medicaid/CHIP have better health outcomes and miss school less often than children who have no access to health care, which means leaving funding for children's health care in limbo is not just cruel, it is also short-sighted.

The CHIP program has enjoyed 20 years of bipartisan support as an essential source of coverage for working families, ensuring access to high-quality, affordable, pediatric-appropriate health care. However, funding for this critical program will expire on October 1, 2017 unless Congress acts quickly to reauthorize it. If Congress fails to act now, coverage for nearly 1 million California children will disappear, imposing a significant burden on families and their providers. CHIP's uncertain future is a significant problem for states too, as they are already developing their FY 2018 budgets and negotiating contracts with insurers and providers. In order for states to continue their programs without interruption, they must have assurances that federal support for CHIP will exist beyond FY 2017.

We thank you for your leadership and resolute support for CHIP, and look forward to working with you in the coming days to maintain a strong CHIP program, and to strengthen health care for children in the coming years.

Sincerely,



Mira Morton

Director of Government Relations

Cc: Members, California Congressional Delegation