



July 29, 2014

Dear Members of Congress:

We are approaching a critical date for children's health care in the United State. If Congress fails to act, millions of children could lose basic health coverage after funding for the Children's Health Insurance Program (CHIP) ends on September 30, 2015. As the oldest and most diverse group working to achieve comprehensive health system reform and representing more than 80 stakeholder organizations in the health care field, the National Coalition on Health Care (NCHC) strongly believes that funding for CHIP should be reauthorized. Continued investment in CHIP is crucial to keeping health care costs low into the future, sustaining a high-quality health care system, and ensuring that American children continue to receive the health care that they need and deserve.

Since its bipartisan inception as part of the Balanced Budget Act of 1997, CHIP has served as a vital source of health care coverage for children and pregnant women in the United States. Over the past 17 years, CHIP has helped to reduce the number of uninsured children by nearly half, while improving health outcomes and access to care. Additionally, CHIP has produced positive effects outside the health system by reducing school absenteeism and limiting the financial strain of health care costs on families.

Even in the wake of the Affordable Care Act (ACA), CHIP continues to be a critical health care coverage program for children and pregnant women from working families that make too much to qualify for Medicaid but too little to afford private health insurance. Unlike Exchange plans, CHIP was specifically created for children with an age-appropriate benefit package designed to meet their discrete health needs. Currently 8.1 million children have health insurance through state CHIP programs that are suited to residents of each state with respect to both benefits and affordability.<sup>1</sup>

If CHIP funding is not reauthorized, children will face barriers to coverage and care. Without CHIP, some of these children will be enrolled in Exchange plans, which have higher cost-sharing requirements and narrower children's health benefits when compared to CHIP. However, many children will not be able to afford coverage via the Exchange, due in part to an oversight in current law known as the "family glitch." As a result of this oversight, up to an estimated 1.9 million children will not have access to tax credits in

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<sup>1</sup> MACPAC Report to the Congress on Medicaid and CHIP, June 2014

the Exchange because determinations of affordable coverage are based on the cost of coverage for the employed parent alone, to speak nothing of the added premium costs for family coverage.<sup>2</sup>

Without continued funding for CHIP, millions of children will either lose coverage or face often substantially higher costs for less comprehensive coverage in Exchange plans. NCHC urges Congress to move forward this year with a four-year reauthorization of CHIP funding, such as that called for in the CHIP Extension Act of 2014 introduced by Senator Rockefeller.

States are already planning their 2015 annual budgets; if funding reauthorization is put off until next year, children currently enrolled in the program will face gaps in or total loss of coverage. Denying children access to health care today means a sicker America and more costly health care system tomorrow. There is no better way to address our long-term health care cost challenges than by investing in the health of the next generation.

This country cannot afford to wait until the deadline to reinvest in our children's health. On behalf of NCHC's member organizations, we thank you for your attention to this vital issue, and we look forward to working with you to secure funding for CHIP beyond 2015.

Sincerely,

A handwritten signature in black ink that reads "John Rother". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Rother".

John Rother  
President and CEO,  
National Coalition on Health Care

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<sup>2</sup> GAO Report: "Information on Coverage of Services, Costs to Consumers, and Access to Care in CHIP and Other Sources of Insurance," November 2013