



Terry McAuliffe
Governor of Virginia
Chair

Brian Sandoval
Governor of Nevada
Vice Chair

Scott D. Pattison
Executive Director/CEO

May 11, 2017

The Honorable Orrin Hatch
Chairman
Senate Committee on Finance
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Senate Committee on Finance
Washington, D.C. 20510

The Honorable Greg Walden
Chairman
House Committee on Energy & Commerce
Washington, D.C. 20515

The Honorable Frank Pallone, Jr.
Ranking Member
House Committee on Energy & Commerce
Washington, D.C. 20510

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

On behalf of the nation's governors, we urge you to act quickly to provide a five-year extension of funding for the Children's Health Insurance Program (CHIP), at the current enhanced match, to provide certainty for states and families. In 2015, Congress passed a clean CHIP funding extension which was strongly bipartisan and included the enhanced match, express lane eligibility, and outreach grants.

CHIP is widely supported by governors, who recognize that access to health insurance is critical to ensuring a healthy start for our nation's children. Since CHIP was enacted, the uninsured rate for children age 18 or younger has fallen from 14.9% to 4.8%¹. Governors have consistently voiced their support for CHIP, including most recently in a 2015 letter to Senate Finance Committee and House Energy and Commerce Committee leadership urging swift action to extend the program.

Without congressional action, federal support for CHIP will expire September 30, 2017, creating uncertainty for states and millions of working families. According to the Medicaid and CHIP Payment and Access Commission, every state will exhaust their federal CHIP allotments at some point in fiscal year 2018 if Congress does not act this year to extend the program. A few states are expected to exhaust their federal CHIP allotments by December 2017. Millions of children could lose access to the services they need to thrive and lead healthy, productive lives.

Certainty of funding in the near-term is needed so that states may appropriately budget and plan for their upcoming fiscal years. If federal CHIP funding is not extended soon, states will have no choice but to begin notifying families, altering provider contracts and taking other steps to terminate their programs, regardless of any assurances Congress may provide about extending the program at a later date.

¹ Shapiro, L. (2017, April). The Children's Health Insurance Program: Key Facts About CHIP and How it Helps Kids. Retrieved April 28, 2017, from the First Focus website: <https://firstfocus.org/wp-content/uploads/2017/04/CHIP-Key-Facts-041817.pdf>

The future of CHIP is a critical issue that should be addressed as soon as possible by the 115th Congress. Given the uncertainty around health reform at the national level and the relative instability of the private health insurance market in many states, it is imperative that Congress act soon. Governors urge you to protect children's coverage and give states certainty by providing an extension of funding for the program.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry McAuliffe".

Governor Terry McAuliffe
Chair
National Governors Association

A handwritten signature in blue ink, appearing to read "Charlie Baker".

Governor Charlie Baker
Vice-Chair Health and Human Services
National Governors Association

