



February 12, 2015

The Honorable Mitch McConnell
Majority Leader
317 Russell Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Harry Reid
Minority Leader
522 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Orrin G. Hatch
Chairman
Committee on Finance
104 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
221 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Majority Leader McConnell, Minority Leader Reid, Chairman Hatch, and Ranking Member Wyden:

The Center for American Progress will strongly oppose any legislation that permanently or temporarily fixes Medicare's sustainable growth rate, or SGR, formula unless such legislation also extends two programs that are essential to the health and wellbeing of our nation's lower-income children: the Children's Health Insurance Program, or CHIP, and the Maternal, Infant, and Early Childhood Home Visiting, or MIECHV, program.

Any SGR legislation must also include the Protecting and Retaining Our Children's Health Insurance Program Act of 2015 and appropriate funding for the MIECHV program at its current level. Simply put, it would be unconscionable for Congress to take care of physicians – among the most highly paid professions in our society – while leaving behind lower-income children.

The choices that Congress makes reflect its priorities and our values as a society. While it is important for Congress to act to prevent a large cut in federal funding to physicians, it is even more important for Congress to act to prevent a total cutoff in federal funding to lower-income children.

CHIP offers essential health care coverage for millions of children in working families. During the program's almost twenty year history it has significantly reduced the number of uninsured children, improved access to care, and resulted in better health outcomes for its millions of enrollees. This year, an estimated 10.2 million children will have access to comprehensive, low-

cost health care through this critical program. But despite its overwhelming success and past bipartisan support, CHIP's future is very much in doubt; unless Congress acts, funding for the program will lapse on October 1, 2015.

The consequences of congressional inaction are dire. Without future funding, about 2 million of these children will become uninsured, while millions more will have their coverage disrupted as they transition either to plans offered through the marketplaces or employer-sponsored insurance. But, on average, neither of these options provides the same child-centric benefits or as low cost-sharing as CHIP coverage.

These critical differences will place additional financial burdens on millions of working American families who are already seeing their wages stagnate and health care costs rise. Even if children are subsequently enrolled in marketplace or employer-sponsored insurance, their families will face higher costs and greater financial uncertainty. In particular, high-deductible plans, which are growing increasingly common, can raise costs for families with young children, who tend to use more primary care services than other patients.

The MIECHV program provides key grant support for home visiting initiatives across the country for high-risk children and their families. Research shows that evidence-based home visiting programs – including the initiatives funded by the MIECHV program – can reduce health care costs, improve school readiness, and increase family self-sufficiency and economic security. Continued federal support for this critical program is necessary to sustain the positive outcomes of these initiatives and will allow states and tribes to expand these important programs to currently underserved populations.

Given the importance of these programs to the health and economic security of millions of children and their families, the Center for American Progress urges you to extend and fund these programs as part of the annual SGR fix. Because the SGR fix is considered “must pass” by Congress and the physician lobby, it is the best – and perhaps only – chance to ensure that CHIP and the MIECHV program continue past this year. If the “must pass” SGR reform does not extend these programs, the MIECHV program will end, and we fear that interest in funding the CHIP program past this year will be insufficient to galvanize Congress to act.

Medicare's SGR mechanism needs to be replaced, and permanent changes to this payment structure offer an opportunity to lower costs, improve the quality of care, and drive important change throughout the health care system. But when drafting this “must-pass” legislation, Congress should not leave behind America's children and working families.

Sincerely,

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cc: Members of the Senate Finance Committee