



CHILDREN NOW



September 28, 2017

RE: Urgent - Action to fund the Children's Health Insurance Program needed *immediately*

Dear Majority Leader McCarthy, Minority Leader Pelosi, Senator Feinstein, Senator Harris, and all members of California's congressional delegation:

The California Children's Health Coalition—comprised of The Children's Partnership, Children Now, Children's Defense Fund-California and United Ways of California—urges you to reach out to your Congressional leadership **today** to ask them to pass a clean funding extension of the Children's Health Insurance Program (CHIP) for at least five years before new funding ends in **less than three days**, at midnight on Saturday, September 30th. **Specifically, we support the bipartisan Senate bill -- Keeping Kids' Insurance Dependable and Secure (KIDS) Act (S. 1827) -- to extend CHIP funding for five years and allow states time to plan for a return to the traditional CHIP match rate, and create both protections and state flexibility.**

Last year, CHIP funded coverage for almost 2 million children in California last year, the vast majority through Medi-Cal. CHIP funds provide affordable, comprehensive, child appropriate coverage for children in California up to 266 percent of the federal poverty level (\$65,436 a year for a family of four) – coverage that would otherwise be financially out of reach for many. It provides an absolutely critical tool in combatting California's child poverty, which is the highest in the nation, while helping stabilize our state budget. In fact, CHIP funds are used to finance coverage for roughly one-quarter of children enrolled in Medi-Cal.

Absent any new funding, California is expected to exhaust all of its currently available CHIP funding before the end of 2017. However, California state officials must take action with enrollees, contracts, and new obligations well before that point. It takes significant state time and money to make changes to a popular successful program, and further delays will lead to expending more valuable CHIP dollars on contingency planning instead of providing coverage and care to children. If Congressional action is sufficiently delayed, the state will need to send out notices to affected enrollees, sowing fear and chaos. Additionally, California officials are already working to develop next year's budget, which is released in January, so waiting until later this year to take action would be unhelpful and irresponsible. Vague promises of action later in the year will not provide the state or beneficiaries with the certainty they both desperately need.

Addressing CHIP funding by passing the bipartisan Hatch-Wyden KIDS Act swiftly – this week - would enable California to better serve children by encouraging innovation, and phasing out the current match rate as they propose would allow the State the time to plan for a return to the regular enhanced CHIP match rate in a reasonable way. Importantly, the bill's revised maintenance of effort provision after 2019 for children with incomes below 300% of the FPL will protect coverage for the vast majority of children in California, which is critical to preserve our historic rate of child health coverage in excess of 97% today. Because Medicaid and CHIP are designed to work together, CHIP funding should move forward without cuts or significant changes to Medicaid.

The bipartisan Hatch-Wyden KIDS Act represents a responsible, moderate compromise that will protect the health and well-being of all California's children, and we urge you in the strongest possible terms to take it up and pass it immediately.

Sincerely,



Ted Lempert
President
Children Now



Shimica Gaskins
Executive Director
Children's Defense Fund-
California



Mayra Alvarez
President
The Children's Partnership



Peter Manzo
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