



AMERICA'S ESSENTIAL HOSPITALS

August 27, 2014

The Honorable Henry A. Waxman
Ranking Member
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce, Subcommittee on Health
2322A Rayburn House Office Building
Washington, DC 20515

Dear Ranking Representatives Waxman and Pallone:

On behalf of America's Essential Hospitals (formerly the National Association of Public Hospitals), I would like to express our support for the Children's Health Insurance Program (CHIP) Extension and Improvement Act of 2014, to extend CHIP funding through fiscal year (FY) 2019. If funding for CHIP is not extended, this vital source of health coverage program will end at the end of FY 2015, just 13 months from now.

America's Essential Hospitals represents nearly 250 hospitals dedicated to serving all patients, particularly the most vulnerable. This includes many low-income children and families who rely on CHIP for health coverage. CHIP has been a lifeline in the communities our hospitals serve for many years – the termination of this critical program would be truly detrimental to families served in our hospitals. The Congressional Budget Office estimates that nearly 13 million children will be enrolled in CHIP during FY 2015. If the program is not extended, many of these children will likely find coverage through Medicaid or health insurance marketplaces, but the GAO has estimated that nearly two million, children currently enrolled in CHIP, could become uninsured due to an unintended consequence in the Affordable Care Act, known as the “family glitch.” This provision excludes employer-sponsored family coverage from affordability requirements, yet leaves these same families

ineligible for premium assistance. Leaving these children without coverage is unacceptable.

We are encouraged by this legislation's effort to not only extend CHIP, but also to extend the payment parity offered under the Affordable Care Act for Medicaid primary care services, which expires at the end of this year. More than half of the care provided in essential hospitals is for patients who are enrolled in Medicaid or are uninsured. As you know, Medicaid traditionally pays well below the cost of care. Medicaid payment parity improves access for Medicaid patients. With more physicians accepting Medicaid, patients will be less reliant on hospital emergency departments, which are all too often the only source of care for low-income people.

Further, we are pleased that the proposed legislation maintains and enhances existing quality measurement and reporting activities, offers enhanced FMAP as an incentive to strengthen quality reporting activities, and enforces mandatory reporting of pediatric quality measures. We believe that bolstering use and reporting practices of quality measures is a step in the right direction, and sets a precedent for other federal and state health care programs. We support and propose comparable quality reporting requirements in the Medicaid program. Without a comprehensive measurement and reporting system in CHIP or Medicaid, it is difficult to determine if the programs are providing the best care possible, and what types of improvements may be beneficial. We applaud your effort to move in this direction.

Thank you for your ongoing leadership and hard work to support vulnerable children and families. We look forward to working with you and your colleagues to move this legislation forward.

Sincerely,



Bruce Siegel, MD, MPH
President and CEO

cc: Rep. Fred Upton, Chair, Committee on Energy and Commerce
Rep. John Boehner, Speaker of the House of Representatives
Rep. Nancy Pelosi, Minority Leader, House of Representatives