

April 17, 2017

**RE: MCHAP Advocacy on Federal Renewal of CHIP Funding**

Dear Dr. Beck and members of the Medi-Cal Children's Health Advisory Panel (MCHAP):

We commend the discussion draft letter on the Children's Health Insurance Program (CHIP) and we appreciate MCHAP's willingness to offer its full support to reauthorization and robust, ongoing funding for CHIP. We look forward to the CHIP discussion at the April 18<sup>th</sup> MCHAP meeting, and would like to offer suggestions for additional advocacy points and recommendations MCHAP should consider including in your letter.

**Quick enactment of a CHIP renewal.** After September 2017, no new federal CHIP funds will be provided to states unless Congress takes action soon. Without a swift renewal of CHIP funding, California's existing CHIP allotment (\$2 billion in 2016) would be entirely exhausted before the end of this calendar year. Furthermore, California's budget for State Fiscal Year 2017 – 2018 must be completed by July of this year, so state policymakers need immediate clarity and certainty on CHIP funding. The Governor has already made assumptions about CHIP in his proposed budget. In order to ensure a continued commitment to California's children, quick Congressional action – in May or June – on a strong CHIP funding bill is necessary. Such action is a fiscally responsible approach and is absolutely crucial to maintaining the progress that California has made in children's health coverage.

**Congress should support their advisory body recommendations on CHIP.**

Congress should renew CHIP in line with the recommendations set forth by the non-partisan Congressional advisory experts—the Medicaid and CHIP Payment and Access Commission (MACPAC)—to preserve and extend successful CHIP policies. Notably, we support the MACPAC recommendations to:

- Renew CHIP funding for at least five (5) years;
- Leave in place the current enhanced CHIP match rate with the 23 percentage point increase, with which California leveraged state funds to support its Health4AllKids (SB 75) coverage;
- Leave in place the Maintenance of Effort (MOE), which ensures that current eligibility and enrollment are not restricted; and
- Make the Express Lane Eligibility authority permanent, given its demonstrable effectiveness.

**CHIP renewal is an opportunity to better understand and improve child health care quality.** Children deserve high-quality health care services, but more can be done to measure the quality and access of children's health care. California does not report

enough information to know if the state is doing well by the kids who depend on Medicaid. Specifically, California has consistently lagged behind other states in reporting data on health care quality measures and, in 2014, there were only 12 states that reported fewer Child Core Set quality measures than California. Upcoming CHIP renewal could make data reporting on the existing Child Core Set of quality measures a mandatory requirement, rather than voluntary reporting as it is now. Doing so would allow for policymakers and stakeholders to better understand and target improvements projects to child and maternal health quality. CHIP renewal should make reporting on Child Core Set quality indicators mandatory for states.

**CHIP must be renewed without any cuts to Medicaid or further erosion of coverage.** Federal CHIP funding must be sufficient to sustain existing CHIP programs, however, it is critically important that any cost associated with extending CHIP funding *not* be offset at the expense of Medicaid. This means that existing Medicaid federal financing arrangements and protections must be maintained and there should not be any new barriers to coverage, such as more cost sharing or work requirements for eligibility. Together with Medicaid, CHIP funding is a critical part of the health care safety net for children.

**State leaders should express their support for CHIP to California's Congressional delegation.** CHIP has bi-partisan origins and has had broad support across the political spectrum. In the last renewal of federal CHIP funding, Governor Brown's Administration, along with many other governors, spoke out in strong support of an early extension of funding to provide states with the certainty they need to plan their budgets and continue to provide health insurance to children of low-income, working families. Because of all that is at stake for the stability of children's health care in California, the Governor and state leaders should be vocal and active in expressing their support for a clean, prompt CHIP renewal. We ask that MCHAP join us in urging the Governor to reach out to our California delegation to quickly pass CHIP funding.

We appreciate MCHAP's willingness to raise awareness and support for CHIP funding, and we hope that future efforts will echo and incorporate the suggestions above. We stand ready to partner with you in the critical education and advocacy efforts in the coming months to renew CHIP funding quickly and cleanly.

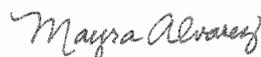
Sincerely,



Ted Lempert  
President  
Children Now



Patricia Soung  
Interim Executive Director  
Children's Defense Fund –  
California



Mayra Alvarez  
President  
The Children's Partnership