

Congress of the United States
Washington, DC 20515

October 26, 2007

The Honorable Nancy Pelosi
Speaker
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Steny Hoyer
Majority Leader
H-107, U.S. Capitol
Washington, D.C. 20515

Dear Madame Speaker and Majority Leader Hoyer:

We appreciate your willingness to be open to changes in legislation to reauthorize the State Children's Health Insurance Program (SCHIP). In fact, last week, we sent a letter to the President to thank him for his willingness to compromise and support increased funding for SCHIP. In that letter, we outlined general principles to guide bipartisan discussions that we believe are essential to ensure the strength of this program.

Unfortunately, this bill does not reflect the spirit of good-faith negotiations and instead, disrupts a process that had the potential to create a strong, bipartisan bill. True bipartisan discussions have not yet occurred on the House side. You chose to rush to the floor a proposal that was not properly vetted, fails to substantially improve the underlying legislation, and outright ignores many of the concerns we raised. The proposal remains flawed and does not meet the general principles we outlined to the President for the following reasons:

- **SCHIP must serve eligible low-income children first.** There is no minimal target in this bill for serving low-income children. Rather than including a hard requirement to be met before the program can be expanded beyond 200 percent of the federal poverty level, this bill expands the program to 300 percent of the poverty level and fails to fully address individual income disregards. This loophole could permit a family earning more than 300 percent of the poverty level to receive benefits.
- **SCHIP should be for children only.** We believe SCHIP should serve low-income children first. While we appreciate that childless adults would be phased out within one year, parents are still eligible.
- **SCHIP should not force children out of private health insurance.** SCHIP tax dollars should be spent on those people who currently do not have health insurance coverage. Like the bill that the President vetoed, the nonpartisan Congressional Budget Office estimates that 2 million children who already have insurance could be moved onto government SCHIP as result of this legislation. Clearly, more changes need to be made. Premium assistance should be more than an option. Furthermore, the bill prohibits the continuation of Health Opportunity Accounts. As we noted in our letter to the President, we should be expanding the options available to families—both on government programs and in the private marketplace—so that they have more choices, not less.

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- **SCHIP should cover low-income American children.** This bill opens the door to increased fraud and abuse which will only shortchange the American children it is supposed to serve. The legislation weakens Medicaid citizenship verification standards and includes an “Express Lane” program that has inadequate citizenship verification safeguards in an effort to sign people up faster, no matter their legal or eligibility status.
- **SCHIP funding for low-income children should be stable, efficient, and equitable.** We believe that SCHIP legislation should not use budget gimmicks or “slush funds” that put the program in financial jeopardy. Unfortunately, these policies are retained in this bill.
- **SCHIP legislation should focus solely on the SCHIP program.** The bill continues to include District-specific earmarks or pork projects.

We would like to work with you and our Democratic colleagues on new legislation. We encourage you to consider talking to House Republicans in good faith about changes that can be made to meet these principles instead of advancing legislation at the last minute that few Members, if any, have had appropriate time to review and no opportunity to amend.

Sincerely,

Virginia Fox, NC-05

Shona Price GA-08

Deq Walden

Shelma Drake

Mary Fallin

Henry E Brown Jr

Randy Newby

Gary Brown-Walton

Judy Buggit

Joe Kuller

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