

*DRAFT*

*To be considered by the Health, Long-Term Care & Health Retirement Issues Committee on March 1, 2007.*

March TBD, 2007

The Honorable Max Baucus  
Chairman  
Senate Committee on Finance  
Washington, DC 20510

The Honorable Charles Grassley  
Ranking Member  
Senate Committee on Finance  
Washington, DC 20510

The Honorable John D. Dingell  
Chairman  
House Committee on Energy and Commerce  
Washington, DC 20515

The Honorable Joe Barton  
Ranking Member  
House Committee on Energy and Commerce  
Washington, DC 20515

Dear Chairman Baucus, Senator Grassley, Chairman Dingell and Representative Barton:

On behalf of the National Conference of Insurance Legislators (NCOIL), we are writing to express strong support for the State Children's Health Insurance Program (SCHIP) and to urge you to reauthorize and expand funding for the program. SCHIP has proven itself as a valuable tool for legislators in our efforts to expand the number of individuals with health insurance coverage in our respective states.

SCHIP has been successful in achieving its goals despite uncertain federal funding. In 2006, it provided coverage for more than 5 million children nationwide. SCHIP was developed in 1997 to expand health insurance coverage to children who did not qualify for Medicaid but whose families were not able to afford private coverage. SCHIP was authorized for fiscal years 1998 through 2007 as a federal block grant with a fixed annual funding level.

Although we appreciate the emergency step taken by Congress before adjourning in 2006 to reallocate \$283 million among the states, without prompt congressional action as many as 14 states could be out of federal money by October. Out of those 14 states, six states—Georgia, Illinois, Maryland, Massachusetts, New Jersey and Rhode Island—are projected to exhaust their resources by May 7 and will be forced to make difficult financial decisions. Because budgets have already been approved in many of these states, there is a question of where the dollars will come from to address the health insurance needs of the children currently covered under the federal appropriation.

We believe that SCHIP helps to build a solid foundation for expanded health insurance coverage at the state level and appreciate the flexibility permitted to states in structuring SCHIP plans to meet the needs of our unique populations.

NCOIL remains committed to efficient and effective health care insurance for the citizens of our states served and protected by state government regulation. While we recognize that complex issues regarding program design, premium costs, coverage requirements, and a formula to define state funding will emerge as you debate SCHIP, we strongly urge you to reauthorize the program. We remain available to assist you and your staffs in addressing these difficult issues.

Baucus, Grassley, Dingell, Barton  
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NCOIL is an organization of state legislators whose main area of public policy concern is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country.

Sincerely,

State Representative Brian Kennedy (RI)  
NCOIL Vice President

State Representative George Keiser (ND)  
NCOIL Executive Committee Chair