

June 8, 2007

The Honorable Max Baucus  
Chairman  
Committee on Finance  
United States Senate  
340 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Chuck Grassley  
Ranking Member  
Committee on Finance  
United States Senate  
350 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

We write as the governors of the eleven states that expanded coverage to children above 150 percent FPL prior to the enactment of SCHIP in 1997. One of the unintended consequences of SCHIP rules was that our states were actually penalized for doing the right thing insofar as we could not access Title XXI funds that would have otherwise been available to us *but for* our pre-1997 Medicaid expansions. As you move forward with the reauthorization of SCHIP, we ask that you permanently correct this inequity.

With your help, and that of your colleagues in the U.S. Senate and U.S. House of Representatives, our states have received welcome help in addressing the inequity through appropriations bills allowing our states to use just a portion of our Title XXI allotment to help finance optional Medicaid children in families above 150-percent of the federal poverty level. To permanently address this inequity, early expansion states need to have expenditures for services provided to those early expansion children as part of any new SCHIP formula.

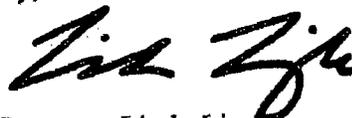
There is broad support for the change we are requesting. In addition to Congress having reauthorized and extended a partial use of allotments, in its April 2007 SCHIP authorization policy, our colleagues within the National Governors Association (NGA) support us in authorizing a permanent fix at 100 percent. The ability to access funds for this coverage will help our states to sustain and expand our SCHIP coverage for children. It also will help state initiatives to provide affordable health coverage for all children.

We appreciate your attention to this issue. SCHIP reauthorization offers a wonderful opportunity to more fully realize the state-federal partnership that exists in our shared effort to ensure that our nation's children have access to high quality health care.

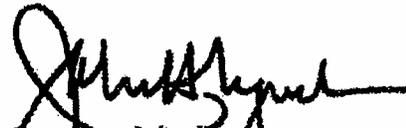
Sincerely,



Governor Christine O. Gregoire  
Washington

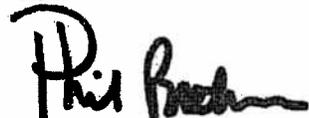


Governor Linda Lingle  
Hawaii

  
Governor John Lynch  
New Hampshire

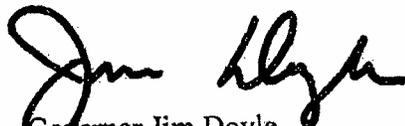
  
Governor James H. Douglas  
Vermont

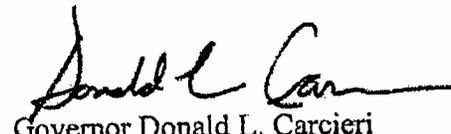
  
Governor M. Jodi Rell  
Connecticut

  
Governor Phil Bredesen  
Tennessee

  
Governor Martin O'Malley  
Maryland

  
Governor Bill Richardson  
New Mexico

  
Governor Jim Doyle  
Wisconsin

  
Governor Donald L. Carcieri  
Rhode Island

  
Governor Tim Pawlenty  
Minnesota

- C: The Honorable John Dingell, Chair, House Energy & Commerce Committee
- The Honorable Joe Barton, Ranking Member, House Energy & Commerce Committee