



STATE OF NEW YORK

ELIOT SPITZER
GOVERNOR

June 21, 2007

The Honorable Max Baucus
Chairman
Senate Finance Committee
511 Hart Senate Office Building
Washington DC 20510-2602

The Honorable Charles E. Grassley
Ranking Member
Senate Finance Committee
135 Hart Senate Office Building
Washington DC 20510-1501

The Honorable John D. Rockefeller
Chairman
Health Care Subcommittee
531 Hart Senate Office Building
Washington DC 20510-4802

The Honorable Orrin G. Hatch
Ranking Member
Health Care Subcommittee
104 Hart Senate Office Building
Washington DC 10510-4402

Dear Chairman Baucus, Ranking Member Grassley, Senator Rockefeller and Senator Hatch:

As the Governor of New York State, one of my highest priorities is ensuring that every child has health insurance. As such, the successful reauthorization of the State Children's Health Insurance Program (SCHIP) is at the top of my federal health care agenda this year. A timely reauthorization that commits increased federal funding is essential to continue the gains in children's coverage that SCHIP has brought over the past decade. Congress recognized this need for additional funding by the inclusion of a \$50 billion increase in SCHIP over five years in the 2008 Budget Resolution.

New York's SCHIP program has been enormously successful. Today, nearly 400,000 children are enrolled, and as the second largest SCHIP program in the nation, New York has reduced the number of uninsured children in the State by 40% from 1997 to 2005. Only seven states achieved a decline of that magnitude. In addition, extensive outreach and more accessible gateways to enrollment contributed to a 30% increase in children enrolled in Medicaid.

Even with this success, 400,000 children in my State still lack health insurance, three-quarters of whom are eligible for Medicaid or SCHIP today. I am committed to

finding ways to reach and enroll these children, but I need additional federal resources. This year, I proposed, and the Legislature enacted in a bipartisan fashion, an expansion of our SCHIP program to 400% of poverty. This expansion includes higher cost sharing as families move up the income scale and appropriate protections against families dropping employer-based coverage in favor of public coverage.

This expansion will make health insurance accessible and affordable for all uninsured children. Research shows that a program that makes coverage available to all children will be more successful in enrolling uninsured children, especially those low-income children who are currently eligible, but not enrolled. The cost of this expansion represents only 7 percent of the total cost of New York's SCHIP program, the rest going toward coverage for children below 250% of poverty who are already enrolled or eligible for our program.

The success of the SCHIP program is due, in large part, to the careful balance of state flexibility with appropriate minimum standards. As you move to reauthorize SCHIP, Congress must preserve the flexibility in how states define eligibility and benefits for their SCHIP programs. As you know, what is low-income in New York is not the same as low income in many other parts of the country.

States require adequate and predictable funding to continue the success of SCHIP. The current SCHIP formula distributes funds to states inefficiently as some states receive more money than they are able to spend and others receive less than they spend. I support allotments based on each state's proven record of accomplishment as measured by its share of SCHIP-enrolled children. A new formula should permit states to continue to enroll eligible children and allow for expansions. In addition, I urge the inclusion of federal matching funds in Medicaid and SCHIP to states that choose to cover legal immigrant children.

I also urge Congress to provide greater flexibility to States in how they verify citizenship for Medicaid under the Deficit Reduction Act (DRA). New York was one of four states that required documentation of citizenship for Medicaid prior to the DRA. The new requirements added burden to a process that was working well for the State and created new barriers for eligible children and families. It is now more difficult for a citizen to obtain Medicaid than a non-citizen.

I look forward to working with you and the New York congressional delegation to achieve a timely reauthorization of SCHIP with adequate resources to continue the gains in coverage we have collectively achieved over the past decade.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eliot Spitzer', with a long horizontal stroke extending to the right.

ELIOT SPITZER



STATE OF NEW YORK

ELIOT SPITZER
GOVERNOR

June 21, 2007

The Honorable John D. Dingell
Chairman
Energy and Commerce Committee
U.S. House of Representatives
2328 Rayburn House Office Building
Washington DC 20515

The Honorable Joe Barton
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
2109 Rayburn House Office Building
Washington DC 20515

The Honorable Frank Pallone, Jr.
Chairman
Health Subcommittee
U.S. House of Representatives
237 Cannon House Office Building
Washington DC 20515

The Honorable Nathan Deal
Ranking Member
Health Subcommittee
U.S. House of Representatives
2133 Rayburn House Office Building
Washington DC 20515

Dear Chairman Dingell, Ranking Member Barton, Congressman Pallone and Congressman Deal:

As the Governor of New York State, one of my highest priorities is ensuring that every child has health insurance. As such, the successful reauthorization of the State Children's Health Insurance Program (SCHIP) is at the top of my federal health care agenda this year. A timely reauthorization that commits increased federal funding is essential to continue the gains in children's coverage that SCHIP has brought over the past decade. Congress recognized this need for additional funding by the inclusion of a \$50 billion increase in SCHIP over five years in the 2008 Budget Resolution.

New York's SCHIP program has been enormously successful. Today, nearly 400,000 children are enrolled, and as the second largest SCHIP program in the nation, New York has reduced the number of uninsured children in the State by 40% from 1997 to 2005. Only seven states achieved a decline of that magnitude. In addition, extensive outreach and more accessible gateways to enrollment contributed to a 30% increase in children enrolled in Medicaid.

Even with this success, 400,000 children in my State still lack health insurance, three-quarters of whom are eligible for Medicaid or SCHIP today. I am committed to finding ways to reach and enroll these children, but I need additional federal resources. This year, I proposed, and the Legislature enacted in a bipartisan fashion, an expansion of our SCHIP program to 400% of poverty. This expansion includes higher cost sharing as families move up the income scale and appropriate protections against families dropping employer-based coverage in favor of public coverage.

This expansion will make health insurance accessible and affordable for all uninsured children. Research shows that a program that makes coverage available to all children will be more successful in enrolling uninsured children, especially those low-income children who are currently eligible, but not enrolled. The cost of this expansion represents only 7 percent of the total cost of New York's SCHIP program, the rest going toward coverage for children below 250% of poverty who are already enrolled or eligible for our program.

The success of the SCHIP program is due, in large part, to the careful balance of state flexibility with appropriate minimum standards. As you move to reauthorize SCHIP, Congress must preserve the flexibility in how states define eligibility and benefits for their SCHIP programs. As you know, what is low-income in New York is not the same as low income in many other parts of the country.

States require adequate and predictable funding to continue the success of SCHIP. The current SCHIP formula distributes funds to states inefficiently as some states receive more money than they are able to spend and others receive less than they spend. I support allotments based on each state's proven record of accomplishment as measured by its share of SCHIP-enrolled children. A new formula should permit states to continue to enroll eligible children and allow for expansions. In addition, I urge the inclusion of federal matching funds in Medicaid and SCHIP to states that choose to cover legal immigrant children.

I also urge Congress to provide greater flexibility to States in how they verify citizenship for Medicaid under the Deficit Reduction Act (DRA). New York was one of four states that required documentation of citizenship for Medicaid prior to the DRA. The new requirements added burden to a process that was working well for the State and created new barriers for eligible children and families. It is now more difficult for a citizen to obtain Medicaid than a non-citizen.

I look forward to working with you and the New York congressional delegation to achieve a timely reauthorization of SCHIP with adequate resources to continue the gains in coverage we have collectively achieved over the past decade.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eliot Spitzer', with a stylized, cursive script.

ELIOT SPITZER