

# AMERIGROUP CORPORATION

September 4, 2001

The Honorable Billy Tauzin  
Chairman  
House Energy and Commerce Committee  
Washington, D.C. 20515

The Honorable John Dingell  
Ranking Member  
House Energy and Commerce Committee  
Washington, D.C. 20515

Dear Mr. Chairman and Ranking Member Dingell:

AMERIGROUP, the largest Medicaid-only managed care company in the United States, supports improved access to health care for Americans who lack insurance coverage, including 10 million children. The \$28 billion included in the FY02 budget resolution (over three years) could provide a valuable resource for building on existing federal-state partnerships to increase coverage for uninsured children and their families through expanded family coverage. Based on the work we have accomplished under our successful model in meeting the needs of this population, we would advocate that this funding be utilized in a manner that will allow states new resources to provide coverage to parents of children eligible for Medicaid or the State Children's Health Insurance Program (SCHIP).

Our experience demonstrates that states that have expanded coverage to parents of SCHIP eligible children have experienced increased coverage of children compared to those states that have not. Many experts believe that making access to Medicaid and SCHIP more available to parents will improve overall coverage of children and families in this country. In addition, expanding coverage to parents of SCHIP eligible children provides important health care coverage for low-income working families who otherwise would not have access to any health care coverage. Recent studies suggest that more than eight out of ten low-income uninsured people are from working families.

In the last few years, a number of states have expanded their state programs to provide health care coverage for low-income working families. For example, in New Jersey, where AMERIGROUP operates as a health plan, then-Governor Christine Todd Whitman signed into law in 2000 a new program that allows families up to 200 percent of poverty to be eligible for coverage under the Medicaid and SCHIP program. To date, some eighteen

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Page Two

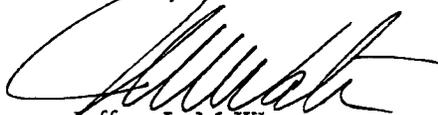
states provide coverage to families at 100 percent of poverty and above. These programs are helping to address the challenges of the uninsured, and Congress has a unique opportunity to further support these efforts by providing the states with additional resources to encourage continued development of these innovative state programs.

We would also like to bring to your attention that, under current law, SCHIP funding is to be reduced by approximately \$1 billion in FY02; that reduction will take place for a period of three years. This three year "dip" in funding will be a burden to states that are currently utilizing their full allotment of SCHIP dollars as well as to those states whose programs are now more fully mature and will likely reach their allotment within the next three years. We would urge the Congress to continue funding of the SCHIP program at its current levels to ensure that the program continues to build on its successes.

We believe there will not be a better time to take action than right now. The \$28 billion in the FY02 budget resolution provides an important opportunity to address the challenges of the uninsured in this country. We would be pleased to share our experiences in providing coverage to low income families and children in the states in which we operate.

Please do not hesitate to contact me if we can serve as a resource and assist you in your work. I can be reached at (757) 473-2706, or feel free to contact Brian Coyne who heads our government relations program in Washington, D.C. at (202) 783-8100.

Sincerely,



Jeffrey L. McWaters  
President and Chief Executive Officer

THANK YOU FOR  
YOUR SUPPORT  
OF WORKING  
FAMILIES!

