



STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

July 10, 2007

The Honorable John Dingell  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman Dingell:

As action accelerates on major federal health care issues that will be considered during the 110<sup>th</sup> Congress, I am writing to ask for the Michigan Congressional Delegation's assistance to ensure federal outcomes that complement our state-based efforts to deliver access to affordable health care coverage to Michigan's residents. You have an opportunity to help provide greater access to health care for Michigan children and families, and to stop dangerous budget cuts that could erode Michigan's health care safety net.

**State Children's Health Insurance Program (SCHIP)**

I am proud of Michigan's achievements in enrolling children in our SCHIP program, *MiChild*. According to an analysis done by the General Accountability Office, Michigan has achieved the second lowest rate of uninsured children in the United States; however there is still work to do in enrolling those children who remain eligible but are not enrolled in the program.

Due to increased demand for services, medical inflation and other factors, without a significant new federal investment in the SCHIP program, Michigan will likely experience of shortfall in federal funds sometime in 2009. I was pleased to learn that up to \$50 billion in new federal funding has been set aside for SCHIP in the Congressional Budget Resolution. This is a positive first step, and I hope you will ensure that this new investment becomes a reality. However, given our state budget challenges, any new resources should not come at the expense of other state programs.

I understand Congress is considering significant changes to the SCHIP funding formula. Any SCHIP funding formula should ensure that Michigan has the resources needed to sustain all of our existing SCHIP programs and give us the opportunity to move forward in covering children.

In 2003 the Bush Administration approved a waiver for Michigan to use its SCHIP allotment to provide a limited benefit to childless adults under 35% of poverty (roughly \$3500/year). Some in Congress question the value of continuing this flexibility

Michigan has obtained, but the guidelines of our program ensures that every eligible child will receive coverage, even if a childless adult does not. Despite our vigorous outreach, 2/3 of Michigan's uninsured children entering our system are eligible for Medicaid. This leaves some SCHIP resources available to the state that we have put to work insuring other citizens while we continue to seek out those eligible children. Our other choice would be to forfeit unused funding to the federal treasury. Michigan's innovative work to cover adults in partnership with the federal government should be applauded, not punished, as Congress works to strengthen SCHIP.

I ask that you preserve this critical flexibility. Changes to our program could leave 62,000 Michigianians without health care. We have unique challenges in Michigan and without the flexibility and funding to tailor programs to our unique needs we will not be able to reach every eligible person.

### **The Medicaid Partnership**

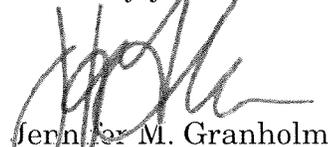
Given Michigan's difficult economic circumstances and subsequent state budget challenges, our ability to maintain our Medicaid and other safety net programs is in jeopardy. Any attempts to cut the Medicaid program or other federal-state partnerships will likely result in Michigan citizens losing health care coverage.

I appreciate Congress implementing a one year moratorium on some administrative cuts proposed by the Bush Administration. Michigan can not tolerate any new federal cuts to critical health care programs and I urge you to stop any new federal cuts from stifling the delivery of affordable and accessible health care to the people we serve.

I would also note that the unfunded mandate imposed in the Deficit Reduction Act on states to require additional documentation of all Medicaid applicants is proving to be a very serious barrier to enrolling eligible children into the program. In states that have enrollment data, it is clear that this mandate has led to a significant decline in Medicaid among citizen children and pregnant women and we are beginning to see these effects in Michigan. I would ask that Congress modify this mandate to give states the flexibility to determine the most appropriate allowable documents to prove identity and citizenship instead of the current "one size fits all" approach currently in law.

Michigan is experiencing challenging times and we must work together to transform our economy. Federal-state health care partnership programs are critical to that transformation being successful. I look forward to working with you on these, as well as other, health care issues in the 110th Congress.

Sincerely yours,



Jennifer M. Granholm  
Governor