

Congress of the United States
House of Representatives
Washington, DC 20515

October 1, 2002

**Shore Up the Health Insurance Safety Net
Before Congress Adjourns**

Dear Colleague:

We are writing to share some good news with you. As of today, all poor children in the United States, regardless of where they live, are entitled to health insurance through Medicaid.

In 1990, with bipartisan support, Congress required states participating in Medicaid to phase in eligibility for all children in families with incomes below poverty (\$15,020 for a family of three in 2002). The approach was first to cover all poor children under age six and then increase the Medicaid eligibility age by one year, every year until all children through age 18 became eligible. Today, we will have achieved that goal; all low-income children up to age 18 living in families up to 100% of poverty will be entitled to health insurance coverage through Medicaid.

Medicaid has made a real difference. The program will cover nearly 24 million children this year and is often the only source of health coverage for these children; it provides critical benefits needed to grow up strong and healthy. There are, however, some children still without health coverage. As this Congress draws to an end, we need to quickly act to address the holes in the safety net.

First, we should allow states the option to cover the remaining uninsured children who are excluded from this safety net: severely disabled children with working parents who need the protection of Medicaid's benefit; and legal immigrant children who are federally barred from coverage. This will ensure that all low-income children in this country have access to critical health insurance coverage. Two bills that remedy these issues -- H.R. 600, the "Family Opportunity Act," and H.R. 1143, the "Legal Immigrant Children's Health Improvement Act" -- enjoy broad bipartisan support. We urge all of our colleagues to support these bills.

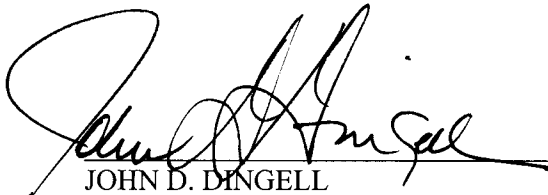
Second, we should also extend the national safety net from children to their parents in both Medicaid and CHIP. Parents are less likely to know about, and sign up children for, these programs if they are not eligible themselves. We must also work to encourage states to continue expanding coverage to pregnant women. H.R. 2630, the "FamilyCare Act" would address both of these issues.

Third, we must make sure that we commit adequate resources for states to meet these challenges. The recession hit many states hard; increasing unemployment swelled the number of families seeking coverage through this safety net. We should help states meet this responsibility by providing a temporary increase in federal assistance for Medicaid. The Senate overwhelmingly passed legislation that addressed this issue. In the House, H.R. 3414, the "State Budget Relief Act," has strong bipartisan support and we encourage our colleagues to sign on to this legislation.


Finally, we must address the flaws in the funding of CHIP. Capped federal funding will soon fall far short of sustaining current levels of coverage, causing many children to lose coverage. We must meet our funding obligation in CHIP and, rather than siphon money away from children's coverage, provide new federal funding for states to cover additional groups not originally in the scope of CHIP, such as pregnant women, parents, and single adults. A dollar can only be stretched so far, and if we are truly committed to a strong safety net that provides critical health insurance to Americans, we must step up to the plate and commit funding to match our rhetoric before we leave for the year.

We should all be proud of the milestone that we mark today -- successfully expanding health insurance to all children under 100% of poverty. We must continue this progress and we encourage our colleagues to co-sponsor and actively support pending legislation that would strengthen the health care safety net: the Family Opportunity Act (H.R. 600); the Legal Immigrant Children's Health Improvement Act (H.R. 1143); the FamilyCare Act (H.R. 2630); and the State Budget Relief Act (H.R. 3414).

Sincerely,



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