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LEGISLATIVE ALERT!

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July 26, 2007



The Honorable John D. Dingell, Jr., Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Dingell:

On behalf of the AFL-CIO, I am writing in support of the Children's Health and Medicare Protection (CHAMP) Act of 2007 (H.R. 3162), which makes significant investments in two proven programs serving tens of millions of Americans: the State Children's Health Insurance Program (SCHIP) and Medicare.

The CHAMP Act would provide \$50 billion in new SCHIP funding to ensure continued coverage for the almost 7 million children currently enrolled in SCHIP and provide coverage for 5.1 million children who now go without coverage for their health care needs. The legislation does so by targeting the lowest income children without insurance – reaching more than half of the 6 million children who are already eligible for SCHIP and Medicaid but not enrolled. The CHAMP Act would also maintain flexibility for states to set income eligibility thresholds that meet the needs of the uninsured families in their state – an essential part of the original SCHIP legislation – and would provide a predictable funding stream for states.

The legislation also makes significant improvements in the Medicare program, beginning with more equitable payments for Medicare Advantage (MA) plans. Specifically, H.R. 3162 would phase out MA plan overpayments over four years and repeal the MA Stabilization Fund. These cuts will benefit the vast majority of beneficiaries who are enrolled in traditional Medicare and subsidizing the plans with higher premiums. At the same time, the CHAMP Act provides protections for seniors and people with disabilities who are enrolled in MA, prohibiting plans from charging higher cost-sharing than traditional Medicare and establishing stronger oversight of the plans.

Furthermore, the CHAMP Act reinvests MA plan savings to fund additional improvements in Medicare. Among other improvements, the CHAMP Act would provide authority to add new preventive health benefits to Medicare and would eliminate cost sharing for preventive services. It would also expand and improve the Low Income Subsidy for drug coverage and the Medicare Savings Programs, both of which ensure affordable health care for low-income Medicare beneficiaries; and, it would ensure beneficiaries have access to the doctor of their choice by reversing a scheduled cut in physician reimbursement.

We strongly support the CHAMP Act as a sound and necessary investment in our nation's children, seniors and people with disabilities. With 9 million uninsured children in this country, more than 6 million children depending on SCHIP and 43 million seniors and people with disabilities depending on Medicare, the status quo is unacceptable. We urge you to pass this critical legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Samuel', written in a cursive style.

William Samuel, Director,
DEPARTMENT OF LEGISLATION

cc: All members of the Committee on Energy and Commerce