



July 31, 2007

Dear Representative:

On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), I write to express our strong support for the Children's Health and Medicare Protection (CHAMP) Act (H.R. 3162), which makes vital investments in two proven programs serving tens of millions of Americans: Medicare and the State Children's Health Insurance Program (SCHIP). We urge you to support H.R. 3162 and to oppose the motion to recommit.

This bill addresses one of the nation's most urgent tasks, to provide health coverage to millions of children who are without this basic need. By increasing payments to states and improving outreach efforts, H.R. 3162 would extend coverage to five million low-income children under Medicaid and the Children's Health Insurance Program (CHIP). The bill also makes important improvements in the quality of coverage by adding dental benefits and parity for mental health coverage. The optional coverage of older children, legal immigrants and pregnant women are necessary and sensible additions to CHIP.

AFSCME strongly supports the provisions in H.R. 3162 that gradually phase out subsidies to private insurance companies offering plans to replace tried and true Medicare coverage. Reducing these overpayments strengthens the financial health of the Medicare program and benefits the vast majority of beneficiaries, including the 90 percent of low-income seniors and 87 percent of African-American seniors, who are enrolled in traditional Medicare and are forced to subsidize the private plans with higher monthly premiums.

The CHAMP Act reinvests the federal subsidies to Medicare Advantage insurance companies into sound improvements in Medicare and direct help to beneficiaries such as: eliminating out-of-pocket expenses for critical cancer screenings and authorizing Medicare to add new prevention benefits; rolling back co-payments for outpatient mental health services; providing \$12.7 billion for measures to assist low-income beneficiaries directly with their out-of-pocket Medicare costs; and, improving beneficiaries' access to the doctor of their choice by enhancing physician reimbursement.

In sum, the CHAMP Act makes robust, necessary and life-saving investments in the health coverage of our nation's children, seniors and people with disabilities. We strongly urge you to support passage of this vital legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles M. Loveless', is positioned below the word 'Sincerely,'.

Charles M. Loveless
Director of Legislation

CML:bcm