



Charles N. Kahn III
President

March 13, 2007

The Honorable John Dingell
Chairman
House Energy and Commerce Committee
2328 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Dingell:

On behalf of the Federation of American Hospitals, representing America's investor-owned and managed hospitals and systems, I am writing to support your efforts to expand health care coverage for children through "The Children's Health First Act." Your bill recognizes that Medicaid and SCHIP are critical to so many children, and it takes important steps to enable these programs to reach their full potential.

Going forward, we are happy to work with you on securing health care coverage for children and, eventually – soon, we hope – for all Americans. No one better understands the crisis of the uninsured than the full service community hospitals they turn to for care.

At the same time, we are mindful that in the current pay-go environment, Congress will need to identify funds to finance the "Children's Health First Act." But in light of MedPAC's findings of negative and falling hospital margins for Medicare, as well as increasing Medicaid payment shortfalls, we feel strongly it would be counterproductive to reduce hospital payments as a means to fund this legislation.

We applaud your thoughtful and longstanding leadership to achieve universal coverage, and we share your goal. On February 22nd, the Federation unveiled its "Health Coverage Passport" (HCP) proposal, which would achieve health coverage for all Americans, building, in no small part, on a significant strengthening of Medicaid and SCHIP. Our proposal is consistent with key elements of the "Children's Health First Act". Thanks again for your leadership and resolve to help children live better and healthier lives.

Sincerely,