

Congress of the United States
House of Representatives
Washington, DC 20515-4201

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

January 12, 2009

Dear Speaker Pelosi:

As a physician and a legislator, I recognize that reauthorizing the State Children's Health Insurance Program (SCHIP) is an important priority for the 111th Congress, and I hope that you will consider this legislation to be one of the first opportunities for bipartisan cooperation.

It is my understanding that during the last Congress, significant efforts were made in an attempt to address concerns about how the underlying bills would impact uninsured children. Based on the research that I've done, there are some central outstanding issues that I believe should be addressed when we work to reauthorize the program this year:

Prioritizing Low-Income Children

As low-income families face more economic insecurity, any reauthorization of the SCHIP program should prioritize the coverage of these families and not require Tennessee taxpayers to subsidize coverage in states like New Jersey, which offers taxpayers assisted health coverage to families earning as much as \$75,000. I believe it would be reasonable to require a threshold for enrolling all eligible low-income children before further expansions are allowed, especially ones that favor one state over another. All children would benefit from a return to the core mission of this program.

Nearly all the states have demonstrated over the past year to the Centers for Medicare and Medicaid Services that meeting this standard is indeed possible. Furthermore, in the current economic environment, several states have indicated that they will be experiencing shortfalls that could impact their ability to provide Medicaid benefits and services. Asking states to expand their SCHIP program before they are able to finance their existing Medicaid program would be a mistake. Expanding SCHIP to higher income families will only exacerbate the real access to care problem in the Medicaid program.

Citizenship Status

I believe that only U.S. citizens and certain legal residents should be permitted to benefit from a program like SCHIP. Additionally, I think it is fair to say that both parties believe that our immigration system is broken. That is why it is so important that the legislation include stronger provisions to prevent fraud by including citizenship verification standards to ensure that only eligible U.S. citizens and certain legal residents are enrolled in the program.

Stable Funding Source

In order to guarantee access to the program and long term stability, SCHIP should be funded through a stable funding source, not budget gimmicks. The increased excise tax this bill imposes will work to lessen demand; ultimately, the funding will not be adequate to fund the program. We would actually need to encourage smoking if we were to depend on this revenue source, which is a ludicrous concept. Furthermore, I am concerned about the impact on Tennessee revenues. Under the Tobacco Settlement Agreements, the amounts paid by the manufacturers are adjusted based on the volume of shipments. This increased federal excise tax will likely cause Tennessee's settlement payments to decline as well as the State's excise tax revenues. Estimates have their base as high as \$52 million per year.

I believe these are critical elements to improve this vital program. Additionally, I think it would be prudent to include the SCHIP debate as part of an overall and comprehensive health care reform package. I look forward hearing from you and working with you towards a bipartisan agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil", written in a cursive style.

D. Phil Roe, M.D.
Member of Congress