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The Honorable Michael O. Leavitt
Secretary
Department of Health and Human Services
200 Independence Avenue S.E.
Washington, DC 20201

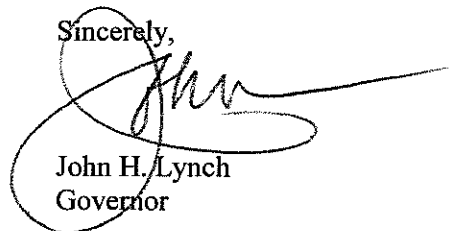
Dear Secretary Leavitt:

Given the recent findings of the Government Accountability Office, I am writing to express my concern about the Centers for Medicare and Medicaid Services' (CMS) August 17, 2007 State Health Official letter regarding the State Children's Health Insurance Program (SCHIP). Earlier this month, the GAO released a legal opinion stating that the letter amounts to a rule under the Congressional Review Act that requires legislative action. The GAO has declared the directive to be invalid because it did not follow the appropriate process.

Since 1999, New Hampshire's State Plan, with the approval of CMS, has allowed SCHIP eligibility for uninsured children in families up to 300% of the federal poverty level. Through the directive, CMS is now advising our state that our "Healthy Kids" SCHIP program must come into compliance with specific new assurances and requirements in order to continue to cover eligible children in this income level who enroll after August 17, 2008. As Governor of the State of New Hampshire, I have deep concerns about our SCHIP program adhering to a directive that has been declared to be invalid under the Congressional Review Act.

I respectfully request that CMS immediately withdraw the August 17 letter and initiate the established process for issuance of new rules and regulations. Furthermore, I urge CMS to honor its long-standing partnership with our state as we work together to assure that all of America's children have access to health insurance.

Sincerely,



John H. Lynch
Governor

Cc: Senator Max Baucus
Senator Chuck Grassley
Congressman Joe Barton
Congressman John D. Dingell
New Hampshire Congressional Delegation