

December 14, 2007

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington D.C. 20515

Chairman Max Baucus  
Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510

Ranking Member Chuck Grassley  
Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Baucus, and Ranking Member Grassley:

This year, Congress has worked to improve and strengthen the State Children's Health Insurance Program (SCHIP), and we appreciate your leadership on this effort. While the SCHIP legislation that Congress passed to reauthorize and strengthen SCHIP is unlikely to be signed into law this year, action is needed before the end of this session of Congress to repeal the Centers for Medicare and Medicaid Services (CMS) directive that will damage states' efforts to insure children.

In August 2007, CMS issued a new directive to states that effectively prevents the coverage of uninsured children if their family income is above 250 percent of the federal poverty level. This sweeping change, instituted without Congressional approval, impacts nearly half of all states. This includes more than a dozen states that may be forced to reduce the eligibility levels in their long-standing SCHIP programs by August of 2008. This decision has already deterred and delayed new expansions in a number of states around the country, as the problem of uninsured children in America has worsened.

It is imperative that Congress take steps to put the directive on hold pending a review of these issues during SCHIP reauthorization. Without action now, coverage for more children will be lost in the months to come. The ability of states to sustain and strengthen their efforts to cover America's uninsured children depends on our immediate attention to this important issue.

Thank you again for your continued leadership on this issue.

Sincerely,

ROBERT MENENDEZ  
United States Senator

ARLEN SPECTER  
United States Senator