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August 11, 2004

The Honorable Max Baucus
United States Senate
511 Hart Senate Office Building
Washington, DC 20510

Dear Senator Baucus:

On behalf of the American Hospital Association (AHA), which represents over 5,000 hospitals, health care systems, networks, and other providers of care, I am writing to express our support for your legislation, the Medicaid and CHIP Safety Net Preservation Act of 2004 (S. 2222). This legislation would help protect the integrity of the Medicaid and CHIP programs as states continue to innovate under the Section 1115 waiver process.

As you know, hospitals are struggling to serve everyone, in every community, even as the number of uninsured and underinsured residents continues to rise. The AHA especially applauds the provisions of your bill that would prohibit approval of 1115 waivers that would cap or limit federal payments to states for the Medicaid program, or those that would eliminate or limit the individual entitlement to Medicaid, early and periodic screening, diagnostic and treatment (EPSDT) services for children, or certain other safety net health services.

We are concerned, however, that your bill would prohibit the approval of a waiver that would use CHIP funds to provide health coverage for non-pregnant childless adults. We agree that children's coverage should be the priority for CHIP funds, but hospitals treat all uninsured populations, and therefore the AHA supports all means of providing coverage to the uninsured, including allowing CHIP funds to cover childless adults.

The Medicaid and CHIP Safety Net Preservation Act of 2004 is a key step to halt the erosion of health coverage for low-income, uninsured and underinsured people. We stand ready to work with you as this bill moves through the legislative process.

Sincerely,

Rick Pollack
Executive Vice President

