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The Honorable Greg Walden  
Chairman  
Energy and Commerce Committee  
United States House of Representatives  
2125 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Walden:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – as well as the 43,000 health care leaders who belong to our professional membership groups, I am writing to express our support for H.R. 3922, the CHAMPIONING HEALTHY KIDS Act of 2017, legislation to extend funding for the Children's Health Insurance Program (CHIP). We strongly support a five-year extension of CHIP funding, along with the elimination of reductions in fiscal years (FY) 2018 and 2019 to the Medicaid disproportionate share hospital (DSH) payments.

Hospitals and health systems have supported CHIP since its inception 20 years ago. The program currently covers 8.9 million children with family incomes above Medicaid eligibility limits who lack access to affordable private coverage; the nation's uninsured rate for children is a record low of 5 percent due in part to Medicaid and CHIP coverage. While CHIP is authorized by Congress to operate until Oct. 1, 2019, legislative action is needed to continue funding beyond FY 2017. Failure to extend CHIP funding could result in coverage losses for millions of children and increased financial pressure for states that may lead to reductions in eligibility and benefits. H.R. 3922 safeguards the program by providing for a five-year extension of funding.

The Medicaid DSH program is critical to the hospitals and health systems that care for our nation's most vulnerable populations – children, the poor, the disabled and the elderly. Congress reduced Medicaid DSH payments in the Affordable Care Act, reasoning that hospitals would care for fewer uninsured patients as health coverage expanded. However, the projected increase in coverage has not been fully realized, and Congress subsequently delayed the start of the cuts that were scheduled to begin in FY 2014. H.R. 3922 would eliminate \$2 billion in scheduled Medicaid DSH reductions in FY 2018 and \$3 billion in reductions in FY 2019, thus allowing an important source of funding to continue for hospitals.



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Thank you for addressing these important programs. As Congress moves forward on these important issues, we look forward to working with you to enact extended funding for CHIP, elimination of reductions to Medicaid DSH payments, and other programs critical to hospitals in a bipartisan, bicameral manner.

Sincerely,

Richard J. Pollack  
President and CEO