

September 5, 2017

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230 U.S. Capitol
Washington, DC 20510

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
H-232 U.S. Capitol
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
S-221 U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, DC 20515

Dear Congressional Leaders,

We write to you today to urge swift action to address the looming shortfalls and program expirations facing some of the most crucial elements of our health care system. These programs - all of which will see significant funding cuts beginning on Oct. 1, 2017, include:

- The Children's Health Insurance Program
- Community Health Centers
- Medicaid Disproportionate Share Hospital payments
- Maternal, Infant and Early Childhood Home Visiting Program
- The National Health Service Corps

Without action by Congress in the coming weeks, major disruptions will begin taking place, negatively impacting children, seniors, new mothers, rural and underserved patients and communities, clinicians, hospitals and health centers. Each of our organizations represents or otherwise supports one or more of these constituencies; today we are united in a common request that you act on these issues well ahead of the looming deadline of September 30.

The programs discussed below represent major elements of our nation's health care safety net—in primary care, children's health, hospital care and workforce recruitment and retention. Failure to renew these investments in a timely manner would reverberate throughout the health care system: eliminating coverage and access to care for millions, raising health care costs and reversing decades of bipartisan progress. Sustaining and strengthening these investments and policies will have the opposite effect—building on the goals we all share in health care: better quality, increased access to care, and cost containment.

In a time of significant instability within the health care system, it is critical—for patients, their caregivers and for state and local policymakers—that these programs are put on a stable footing. It is reasonable for Congress to return periodically to evaluate any program – however, the instability created by year-to-year uncertainty across so much of the safety net has a significant negative effect on

patient access and care. To that end, our groups collectively request **extensions of these items for no less than a five-year period.**

Children’s Health Insurance Program

Since its bipartisan beginning in 1997, the Children’s Health Insurance Program (CHIP) has worked hand-in-hand with Medicaid to cut child un-insurance to the lowest level ever recorded – 95% of children currently have health insurance. CHIP provides coverage for close to 9 million children in working families that earn too much to qualify for Medicaid but too little to afford private health insurance. Unlike many private insurance plans, which are based on the health needs of adults, CHIP offers comprehensive, age-appropriate benefits. CHIP plans also offer pediatric appropriate networks of primary care pediatricians, pediatric subspecialists, pediatric surgical specialists, pediatric dental care and children’s hospitals so children may access medically and developmentally appropriate care. If funding for CHIP expires, families could experience up to a ten-fold increase in their out-of-pocket costs for plans that do not have an appropriate benefit package or pediatric network. Simply put, the benefits, provider networks and affordability protections available in CHIP clearly reflect the needs of children.

Without certainty in funding, states will begin to wind-down their CHIP programs and children may be transitioned to more costly forms of coverage or become uninsured altogether. A long-term extension of CHIP by Congress is necessary so states have the budget certainty necessary to continue to run their CHIP programs. Historically, providing long-term funding for CHIP has not only contributed to programmatic stability but also innovations and greater success providing children with coverage that meets their needs. Congress should return to this model of predictability and encourage states to make further programmatic improvement to strengthen children’s coverage.

Community Health Centers

Begun more than fifty years ago and supported through bipartisan administrations and Congresses, Community Health Centers today provide high-quality primary and preventive care to more than 25 million patients in more than 10,400 underserved communities nationwide. Health centers save the health care system more than \$24 billion every year, by reducing the need for care in costlier settings and by preventing and managing complex conditions. The mandatory investment in health centers was begun by Congress in 2010, sustained each year and extended on a bipartisan basis in 2015 – it is set to expire at the end of September 2017. These resources have resulted in some 8 million new patients gaining access, while allowing every health center in America to grow its capacity through targeted investment in things like new locations, expanded hours, additional providers, quality improvement, and new and integrated services like oral health, behavioral health, and substance use disorder treatment and prevention.

Today, the mandatory investment in community health centers of \$3.6 billion annually accounts for more than 70% of the total federal grant investment in this nationwide system of care. According to HHS’ own estimates, a failure to renew these funds would lead to loss of 51,000

jobs, closure of 2,800 CHC delivery sites, and a loss of access to care for more than nine million patients. In order to preserve the gains that have been made and strengthen our system of access to primary and preventive care, Congress must act expeditiously to avert this funding cliff.

Medicaid Disproportionate Share Hospital Payments

Hospitals that care for many low income people, including teaching, essential and children's hospitals, strive to provide high quality care to all patients, including the most vulnerable. Due to their patient populations, many of these hospitals often have lower operating margins than the rest of the hospital industry. Without Medicaid disproportionate share hospital (DSH) payments, hospitals that rely on DSH would see massive funding shortfalls that would threaten access to care - for essential hospitals, average operating margins would drop to negative 3.6 percent. Congress recognizes the threat that Medicaid DSH payment cuts pose to vulnerable patients and teaching and essential hospitals. Under bipartisan legislative efforts, Medicaid DSH payment cuts, as originally intended under the Affordable Care Act (ACA), have been delayed three times for a total of four years:

- The Bipartisan Budget Act of 2013 delayed the cuts for two years until FY 2016.
- The Protecting Access to Medicare Act of 2014 delayed the FY 2016 reduction.
- The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) delayed the scheduled FY 2017 cuts by one additional year.

To date, Medicaid DSH cuts have yet to go into effect since implementation of the ACA. However, under current law, DSH cuts will begin with a \$2 billion cut in FY 2018 and increase by \$1 billion annually through 2024, ending with an \$8 billion cut. Hospitals must be protected from a \$2 billion DSH payment cut in 2018. DSH payments allow hospitals to keep their doors open and continue providing quality care to our nation's most vulnerable. We urge Congress to continue the delay of DSH cuts until a more sustainable solution is reached.

Maternal, Infant and Early Childhood Home Visiting Program

The Maternal, Infant and Early Childhood Home Visiting (MIECHV) program, established in 2010, supports voluntary, evidence-based home visiting services for at-risk pregnant women and parents with young children up to kindergarten entry. The services are provided via various models, which by statute are required to meet rigorous effectiveness standards, with a quarter of funds available to grantees in order to test promising and innovative practices. MIECHV currently serves children and families in all 50 states, 5 territories, and numerous tribal organizations.

Through the program, trained professionals meet regularly with expectant parents or families with young children in their homes, building strong, positive relationships with families who want and need support. Home visitors evaluate the families' needs and provide services tailored to those needs. Multiple short-term funding extensions have made it difficult for grantees to plan for long-term needs of the program and the communities they serve, therefore an

extension of funding for multiple years is critical to ensuring the greatest continued return on investment for this critical program.

National Health Service Corps

Since its inception in 1972, the National Health Service Corps (NHSC) has worked to build healthy communities by placing health care providers dedicated to working in underserved areas of every state and territory of the United States. Today, more than 10,000 primary care medical, dental, and mental and behavioral health practitioners are providing access to care in rural, urban, and frontier areas of the country with limited access to care. More than 10 million people rely on a NHSC-supported provider for access to primary care service. Placements are made in the highest need areas of the country, with providers serving in a wide variety of safety net organizations including Health Centers, Rural Health Clinics, Critical Access Hospitals, School-based Clinics, Indian Health Service facilities, and Community Mental Health Centers, among others. Additionally, more than half of all NHSC placements continue to serve in designated shortage areas 10 years after fulfilling their NHSC commitment.

The NHSC serves as an effective and efficient recruitment tool for many safety net organizations in dire need of assistance. However, like the Health Centers program, the NHSC is funded on a mandatory basis, and without Congressional action to extend that funding, the program will cease to exist as of this fall. The NHSC is solely funded through the mandatory funding mechanism and has no base appropriation to even continue supporting the existing field placements. Extending and strengthening funding for the NHSC is paramount for the millions of people who rely on the program for primary care services.

These programs represent just a few examples of the more than twenty programs whose funding streams and/or implementing policies are set to expire this year. Other critical priorities, from community-based residency training in Teaching Health Centers to diabetes research to access to care for rural seniors to family-to-family information centers, require Congressional action to continue uninterrupted. **As Congress gives consideration to the health care priorities set to expire this year, we urge that two main principles be followed:**

1. These **policies and programs cannot be financed by other reductions in the federal commitment to the health care safety net.** In particular, given the close interplay between each the priorities listed above and state Medicaid programs, it would be misguided and counterproductive to continue these commitments by cutting Medicaid.
2. The importance of timely action on these issues, coupled with a long-term solution, is critically important. To that end, **we urge Congress to address these issues well before the September 30 deadline each program faces, and to extend each for at least a five year period.**

The undersigned organizations look forward to working with Congress to address these funding shortfalls. Thank you for your consideration.

Sincerely,

Academy of Nutrition and Dietetics

America's Essential Hospitals

American Academy of Nursing

American Academy of Pediatrics

American Association of Child and Adolescent Psychiatry

American Cancer Society Cancer Action Network

American College of Nurse-Midwives

American College of Physicians

American Dental Education Association

American Dental Hygienists' Association

American Muslim Health Professionals

American Organization of Nurse Executives

American Psychological Association

American Public Health Association

American Thoracic Society

Association for Community Affiliated Plans

Association of American Medical Colleges

Association of Asian Pacific Community Health Organizations (AAPCHO)

Association of Clinicians for the Underserved

Association of Maternal & Child Health Programs

Association of State and Territorial Health Officials

Association of Women's Health, Obstetric & Neonatal Nurses

Capital Impact Partners

Capital Link

Child and Family Policy Center

Children's Defense Fund

Children's Hospital Association

Enterprise Community Loan Fund

Family Voices

First Focus

Healthcare Leadership Council

Home Instruction for Parents of Preschool Youngsters

LEAnet, a national coalition of LEAs

Lenders Coalition on Community Health Centers

Local Initiatives Support Corporation

Low Income Investment Fund

March of Dimes

Mental Health America

National Alliance of Children's Trust and Prevention Funds

National Alliance on Mental Illness

National Association for Children's Behavioral Health

National Association of Community Health Centers

National Association of Counties

National Association of County and City Health Officials

National Association of Pediatric Nurse Practitioners

National Association of Rural Health Clinics

National Coalition on Health Care

National Committee for Quality Assurance

National Council for Behavioral Health

National Family Planning & Reproductive Health Association

National Health Care for the Homeless Council

National Hispanic Medical Association

National Immigration Law Center

National Institute for Children's Health Quality (NICHQ)

National Partnership for Women & Families

NETWORK Lobby for Catholic Social Justice

Nonprofit Finance Fund
Nurse-Family Partnership
Ounce of Prevention Fund
Parents as Teachers
Partners in Care Foundation
Physician Assistant Education Association
Primary Care Development Corporation
Safe States Alliance
School-Based Health Alliance
The Children's Partnership
The Jewish Federations of North America
The National Alliance to Advance Adolescent Health
The National SafeCare Training and Research Center
The Parent-Child Home Program
The Trevor Project
Trust for America's Health
United Way Worldwide
Vizient, Inc.
Young Invincibles
ZERO TO THREE

Cc:

The Honorable Orrin G. Hatch, Chair, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
The Honorable Lamar Alexander, Chair, Senate Committee on Health, Education, Labor and Pensions
The Honorable Patty Murray, Ranking Member, Senate Committee on Health, Education, Labor and Pensions
The Honorable Thad Cochran, Chair, Senate Committee on Appropriations
The Honorable Patrick Leahy, Ranking Member, Senate Committee on Appropriations

The Honorable Greg Walden, Chair, House Committee on Energy and Commerce
The Honorable Frank Pallone Jr., Ranking Member, House Committee on Energy and Commerce

The Honorable Michael Burgess, Chair, Subcommittee on Health, House Committee on Energy and Commerce

The Honorable Gene Green, Ranking Member, Subcommittee on Health, House Committee on Energy and Commerce

The Honorable Kevin Brady, Chair, House Committee on Ways and Means

The Honorable Sander M. Levin, Ranking Member, House Committee on Ways and Means

The Honorable Pat Tiberi, Chair, Subcommittee on Health, House Committee on Ways and Means

The Honorable Richard Neal, Ranking Member, Subcommittee on Health, House Committee on Ways and Means

The Honorable Rodney Frelinghuysen, Chair, House Committee on Appropriations

The Honorable Nita M. Lowey, Ranking Member, House Committee on Appropriations

The Honorable Donald J. Trump, President of the United States

The Honorable Tom Price, M.D., Secretary of Health and Human Services