

November 13, 2017

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Paul Ryan  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Leader McConnell, Speaker Ryan, Leader Schumer, and Leader Pelosi:

On October 1, 2017, more than a month ago, funding lapsed for health care programs critical to millions of low-income, working Americans and others who face financial challenges. We urge you to immediately reinstate funding for those programs, which are:

- the Children's Health Insurance Program (CHIP);
- Community Health Centers Program (CHCs);
- Medicaid disproportionate share hospital payments (DSH);
- the National Health Service Corps (NHSC);
- Maternal Infant, and Early Childhood Home Visiting Program (MIECHV); and
- Teaching Health Centers Graduate Medical Education Program (THCGME).

On November 3, the House of Representatives passed legislation that would maintain funding for most of these critical funding streams. Ultimately, a final bill will require bipartisan, bicameral agreement. We write today to urge you in the strongest possible terms to prioritize immediate action on funding for these six programs. Each of these programs enjoys a tradition of strong bipartisan support, yet the future of each now hangs in the balance. A continued delay in passing legislation for funding these programs is unacceptable—the negative consequences of congressional inaction already are being felt and will only increase in the coming weeks. We offer these additional details:

### **Children's Health Insurance Program**

The delay in extending CHIP funding already has created real consequences for states and unnecessary confusion and uncertainty for children and families. States are exhausting their CHIP funding, and the Centers for Medicare & Medicaid Services (CMS) is providing limited financial assistance to these states through redistribution dollars, of which each state only has one or two months. This piecemeal approach is not a tenable path forward to maintain program stability across the country. Although the relief given by CMS has staved off imminent closure of some state programs, states know that it is impossible to run a program as complex as CHIP on a month-to-month basis. Some states have laws or policies that require advance notification to families.

Many states also have requirements outlining processes that must occur to dismantle their programs well before CHIP funding is completely exhausted, including changes to systems and managed care contracts and training staff to work with families to explain the changes to their coverage. Despite the temporary relief from CMS and congressional assurances, states continue to develop plans to alert families to the uncertainty of the program and start processes to shut their programs down. While the states had previously held back implementing these plans because they wanted to avoid scaring families, it is now imperative they put their plans into action. Utah submitted the necessary paperwork to CMS to end its program if needed, and Colorado released a draft notification it plans to send to families this month. States cannot continue to operate their programs as normal with anything short of a long-term federal CHIP funding extension. For families, even a short disruption in a state's program could damage the health of a child seeking care, especially for children with complex medical conditions. It is imperative

Congress act now to extend CHIP for five years to prevent additional confusion to children and families and provide the coverage stability they deserve.

### **Community Health Centers**

The disruption caused by uncertainty surrounding the future of federal grant funding for health centers began October 1, and each day that passes brings new examples of the ways that uncertainty is impacting care delivery. A National Association of Community Health Centers survey found that 72 percent of the more than 1,400 health center organizations nationwide are instituting hiring freezes, with significant numbers planning layoffs, reductions in services, and closure of delivery sites. Provider recruitment and retention has suffered, particularly in rural communities, and health centers have lost access to lines of credit and faced challenges signing long-term contracts and leases due to the uncertainty. Without a timely extension of funding, the Department of Health and Human Services (HHS) estimates that 2,800 health center locations would be forced to close their doors, over 50,000 jobs would be lost, and 9 million current health center patients would lose access to care.

### **Medicaid Disproportionate Share Hospital Payments**

Since Medicaid DSH cuts started October 1, at least two states, Missouri and New York, have begun to withhold DSH funding from hospitals that rely on Medicaid DSH to provide care to all of their patients. Hospitals in these states are facing serious cash-flow deficiencies associated with the October 1 DSH cuts. If Congress does not act soon, we expect more states to announce plans to withhold funding to essential and children's hospitals in the near future. Many of these hospitals operate on very narrow or negative margins, meaning any reduction in expected funding almost immediately affects their ability to provide patient care.

### **National Health Service Corps**

Since funding for the National Health Service Corps (NHSC) expired on October 1, the program is functioning in only an administrative capacity. Without renewed funding no new or continuation awards can be made. The first cycle impacted by the lack of funding will be the Loan Repayment Continuations normally issued in October and November. This year, an estimated 350 continuations cannot be awarded due to the lack of funding. In addition, another cycle of Loan Repayment Continuations arrives in December and January. In many cases, NHSC clinicians cannot afford to continue practicing without the support of the NHSC awards and will leave their posts in highly underserved communities. Without immediate congressional action to reauthorize funding, these continuation awards will not be issued and providers will be lost.

### **Maternal, Infant, and Early Childhood Home Visiting Program**

Multiple, short-term extensions are hampering grantees' ability to effectively plan and manage multiyear operations for their Maternal, Infant, and Early Childhood Home Visiting Program, which supports voluntary home visiting services for at-risk pregnant women and parents with young children. In Iowa, for example, the program plans to freeze enrollment as soon as January if the program isn't reauthorized so it can maintain services as long as possible for currently enrolled families. Without guaranteed funding, programs also are reluctant to engage in the process of hiring and training new home visitors, which can take as long as a year.

### **Teaching Health Centers Graduate Medical Education Program**

Although funding for the Teaching Health Center Graduate Medical Education program was extended through December 31, 2017, the short extension was at a low prior year funding level that is severely unsustainable and that has prompted some centers to initiate shut-down processes and delay recruiting for the next class. Based on a survey by the American Association of Teaching Health Centers, due to the funding limitations and without a guarantee Congress will enact a multiyear reauthorization by year's end, only 22 out of the 57 programs have committed to continuing their program. Five programs have initiated their shut-down processes, with the majority of other programs still unsure if they will continue. This has

caused a ripple effect through the medical education community, where residents currently eager to become community-based primary care physicians in rural and underserved areas have little to no opportunity to receive this kind of medical training with certainty.

While we recognize that Congress has many competing priorities, we believe no other legislation is more time-sensitive than a bill to ensure health coverage to 9 million low-income children and access to care for millions of others who rely on safety-net providers. Please act as swiftly as possible—the patients our organizations care for are counting on you.

Sincerely,

American Academy of Pediatrics  
American Association of Teaching Health Centers  
American Congress of Obstetricians and Gynecologists  
America's Essential Hospitals  
Association of Clinicians for the Underserved  
Association of Maternal & Child Health Programs  
Children's Hospital Association

cc: Orrin Hatch, Chair, Senate Committee on Finance  
Ron Wyden, Ranking Member, Senate Committee on Finance  
Lamar Alexander, Chair, Senate Committee on Health, Education, Labor, and Pensions  
Patti Murray, Ranking Member, Senate Committee on Health, Education, Labor, and Pensions  
Greg Walden, Chair, House Committee on Energy and Commerce  
Frank Pallone, Ranking Member, House Committee on Energy and Commerce