

American Academy of Pediatrics

DEDICATED TO THE HEALTH OF ALL CHILDREN™



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May 11, 2011

The Honorable Orrin Hatch
United States Senate
104 Hart Office Building
Washington, DC 20510

The Honorable Phil Gingrey
U.S. House of Representatives
442 Cannon House Office Building
Washington, DC 20515

Dear Senator Hatch and Representative Gingrey:

On behalf of the American Academy of Pediatrics (AAP), an organization of 60,000 primary care pediatricians, pediatric medical sub-specialists, and pediatric surgical specialists dedicated to the health, safety, and well-being of infants, children, adolescents, and young adults, we write regarding your recently introduced "State Flexibility Act" (the Bill). The Academy is forced to oppose the Bill because, if enacted, it would put guaranteed insurance coverage for more than 14 million low-income children at risk.

Academy Fellows were polled in 2007 regarding the importance of health insurance coverage for children. The response showed that 96.6% prioritized covering all children as one of their highest goals for the health system. Pediatricians recognize that coverage does not guarantee access and that current rules guide coverage but not payment for that coverage. Nevertheless, the so-called "Maintenance of Effort" policies that the Bill would rescind have been highly successful in helping provide children with access to a medical home. Maintenance of Effort policies are one of the main reasons that the percentage of children who were uninsured decreased in 2009 despite the most severe recession since the Great Depression.

We have succeeded in finding health insurance for a higher percentage of children than ever before, but implementation of the Bill could lead to a major step back from that achievement. An April 7th Congressional Budget Office Preliminary Estimate reports that removing the ARRA and ACA policies would cause federal spending on CHIP to decrease by about \$6.5 billion between 2012 and 2016 and \$8.8 billion between 2012 and 2021. This decreased federal commitment to children will lead to a large number of children with gaps in coverage, a flood of children into Exchange plans in 2014, and a large number of children with no insurance coverage at all.

The origins of expensive adult disease are in childhood. Because much of pediatrics is prevention, rescinding coverage for children will cost our society much more in the long term than the cost of maintaining Medicaid and CHIP eligibility at current levels. We urge you to do no harm to children by keeping Medicaid and CHIP strong.

Sincerely,

A handwritten signature in blue ink that reads "O. Marion Burton MD".

O. Marion Burton, MD, FAAP
President

OMB: rh