



News for Immediate Release

June 26, 2013

Corbett to Sebelius: Help us Save CHIP for Pennsylvania's Children

Harrisburg – Governor Tom Corbett today again asked U.S. Department of Health & Human Services (HHS) Secretary Kathleen Sebelius to not force children currently covered under Pennsylvania's Children's Health Insurance Program (PA CHIP) into the Medicaid program.

"PA CHIP is a national model that provides not only a robust array of health insurance benefits, but also access to more doctors and hospitals than traditional Medicaid," Corbett said. "Why should any of us have to explain to even one parent why their child must find a new doctor?"

HHS has indicated that the move is required under the Affordable Care Act (ACA), a fact which Corbett challenged in the letter.

Corbett also reiterated his long-standing goal to increase access to affordable healthcare coverage options for Pennsylvanians. However, he expressed concerns that moving PA CHIP participants to Medicaid could cause disruptions in their relationships with their health care providers and delays in their ability to access care.

"There is no question that you have the authority to allow Pennsylvania to keep its children in PA CHIP," Corbett added. "Let's work together to preserve – not dismantle – a program that works for Pennsylvania's children and their families."

For more information and previous correspondence with HHS, visit www.insurance.pa.gov and click on "Affordable Care Act News".

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Editor's Note: The letter is included below.

June 26, 2013

Dear Secretary Sebelius:

As we have previously discussed, I am strongly committed to ensuring all Pennsylvanians have access to quality, affordable health care coverage. However, I am troubled by the continued insistence by the U.S. Department of Health and Human Services (HHS) that the Affordable Care Act (ACA) requires certain children

in Pennsylvania's Children's Health Insurance Program (PA CHIP) to be involuntarily moved into Medicaid.

I believe that you do have the flexibility to allow states to make a choice as to which program should serve these children. Therefore, as I did when we met April and in my letter of May 30, 2013, I am again requesting that children in PA CHIP be allowed to remain in the program and not be forced into the Medicaid system.

PA CHIP currently provides health care coverage to 187,034 Pennsylvania children. It has broad bipartisan support. Unlike most states, Pennsylvania has created a commercially-based program that provides not only a robust array of health insurance benefits, but also access to more doctors and hospitals than traditional Medicaid. It is simply a fact that more doctors participate in PA CHIP than Medicaid.

As I noted in my earlier letter, PA CHIP parents overwhelmingly report satisfaction with their PA CHIP health plan. These parents are confident they can access urgent care services for their children as soon as necessary and are able to obtain an appointment for their sick child within twenty-four hours. We should celebrate these successes, not look to diminish them.

We all aspire to have Medicaid operate with the same degree of responsiveness. This is why I met with you personally and we continue to pursue reforms to improve the Pennsylvania Medicaid program for the vulnerable citizens it serves. However, I am concerned that if children are forced to move to Medicaid, their relationships with their health care providers will, in some cases, be disrupted, and there may be delays in their ability to access care.

Why should any of us have to explain to even one parent why their child must find a new doctor?

We believe that any attempt by HHS to force the Commonwealth to move children from PA CHIP to Medicaid would be directly contrary to *NFIB v. Sebelius*.

The Court in *NFIB* clearly stated that the government may not "penalize States that choose not to participate in (the Medicaid expansion) by taking away their existing Medicaid funding." [132 S.Ct. 2566, 2607 (2012)] The expansion of Medicaid to cover eligible children between the ages of 6 and 19 is part of the Medicaid expansion. There is no separate statutory provision expanding Medicaid for children.

The Supreme Court was also clear in its ruling that the states are the ones that get to choose whether to expand Medicaid. Therefore, we believe that the state maintains its right to choose which new individuals, adults or children, should be covered under its Medicaid program and that the state may not be penalized for this choice, nor threatened with a loss of federal funding, if it does not comply with the policy position of HHS. This is a very reasonable interpretation when one considers that the ACA provided for enhanced funding for PA CHIP, and that PA

CHIP children are already well-covered by a program recognized by your agency as a national model.

Even if you continue to insist on your position about what the ACA requires, there is no question that you have the authority to allow Pennsylvania to keep its children in PA CHIP. HHS has provided waivers of statutory requirements and transition relief for ACA requirements in a wide array of instances based on HHS policy preferences.

For example, you granted Massachusetts a waiver from the ACA's rating requirements for the first three years even though the statute clearly intended every state to be subject to those reforms starting on January 1, 2014. You also proposed to revise a final regulation to allow Utah to continue operating its small group (SHOP) exchange separately from the federally facilitated individual market exchange in that state.

In closing, I respectfully ask that you allow Pennsylvania to preserve PA CHIP for the children and families that currently enjoy its benefits and for those families that may want to join it in the years to come. Let's work together to preserve – not dismantle – a program that works for Pennsylvania's children and their families.

Sincerely,

Tom Corbett
Governor

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