



Commissioner Emily Piper
Minnesota Department of Human Services
Post Office Box 64998
St. Paul, Minnesota 55164-0998

September 13, 2017

The Honorable Amy Klobuchar
United States Senate
302 Hart Senate Office Building
Washington, DC 20515

The Honorable Al Franken
United States Senate
309 Hart Senate Office Building
Washington, DC 20515

The Honorable Tim Walz
United States House of Representatives
2313 Rayburn House Office Building
Washington, DC 20515

The Honorable Jason Lewis
United States House of Representatives
418 Cannon House Office Building
Washington, DC 20515

The Honorable Erik Paulsen
United States House of Representatives
127 Cannon House Office Building
Washington, DC 20515

The Honorable Betty McCollum
United States House of Representatives
2256 Rayburn House Office Building
Washington, DC 20515

The Honorable Keith Ellison
United States House of Representatives
2263 Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Emmer
United States House of Representatives
315 Cannon House Office Building
Washington, DC 20515

The Honorable Collin Peterson
United States House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

The Honorable Rick Nolan
United States House of Representatives
2366 Rayburn House Office Building
Washington, DC 20515

Dear Members of the Minnesota Congressional Delegation:

I urge you to extend funding for the Children's Health Insurance Program (CHIP) before it expires on September 30, 2017. Our department will exhaust our CHIP allotment of \$115 million for fiscal year (FY) 2017 at the end of September, resulting in the department having to take extraordinary measures to ensure coverage continues beyond October 1, 2017 if Congress does not act.

There are three groups of people covered with CHIP funds in Minnesota: (1) children on Medicaid with income above 133 percent of the federal poverty level (FPL) and below 275 percent of the FPL, (2) infants under age 2

with income above 275 percent of the FPL and below 283 percent of the FPL, and (3) pregnant women who are ineligible for Medicaid with income up to 278 percent of the FPL.

If CHIP is not funded for FY 2018 by October 1, 2017, the state will go back to receiving Medicaid's 50 percent matching rate for the two groups of children covered by CHIP as opposed to the enhanced rate of 88 percent that our state currently receives, resulting in a loss to the state's general fund. The pregnant women covered by CHIP would be at risk of losing coverage altogether, however, we are exploring ways to continue coverage temporarily by carrying over FY 2017 CHIP funds so that their prenatal and postpartum care continues uninterrupted. This action, however, comes with a significant financial penalty.

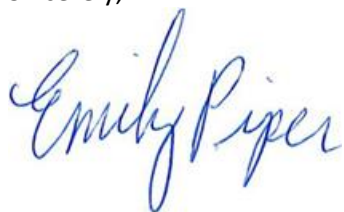
We estimate that Minnesota could continue coverage for pregnant women covered by CHIP for up to approximately nine months if Congress does not extend funding by September 30, 2017. Minnesota would be able to do this by not claiming CHIP funds on children above 133 percent of FPL who are currently covered under our Medicaid program and carrying over those remaining funds from FY2017 to temporarily continue coverage for pregnant women. Doing so, however, would result in a significant loss of federal funding for our state since federal law requires a one-third reduction in any CHIP carryover funds from FY2017 to FY2018 and could reduce any CMS distribution of unspent funds from prior years. If Congress delays in extending CHIP funding, taking these measures would result in a reduction to our state general fund of approximately \$10 million. If CHIP funding is not extended by September 30, 2017, Congress should retroactively reimburse those funds once the program is extended or reauthorized.

In light of the urgency of this situation and for the continued solvency of our state's CHIP program, I urge the following:

- (1) Fund the CHIP program for FY 2018 before September 30, 2017.
- (2) Provide stability going forward and reauthorize the CHIP program for five years.
- (3) Continue the Affordable Care Act's 23-percentage point enhanced federal match that was in the last reauthorization of CHIP in 2015, which is currently projected to provide about \$60 million to Minnesota per year.
- (4) Eliminate the penalty for the one-third reduction in carryover funds from FY 2017 to FY 2018 or guarantee reimbursement to states like Minnesota that may be forced to use its carryover funds to continue coverage until Congress takes action.

Thank you for your consideration of this urgent request for a program that is integral to providing health care to children in Minnesota. Attached is a fact sheet with details about the history of Minnesota's CHIP program and the families it serves. I will be on Capitol Hill for meetings on September 28 and would like to talk with you further about the status of our CHIP program then.

Sincerely,



Emily Piper
Commissioner