

HEALTH CARE FOR AMERICA NOW!

May 11, 2011

The Honorable Henry Waxman
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member, Health Subcommittee
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Ranking Members Waxman and Pallone:

On behalf of the undersigned organizations, we urge you to oppose H.R. 1683, the State Flexibility Act. The bill would increase the number of uninsured children, seniors and people with disabilities by repealing the Medicaid and CHIP coverage stability protections in the American Recovery and Reinvestment Act (ARRA) and the Affordable Care Act (ACA).

In recent years, difficult economic times have led to job loss, reduction of work hours, and shifts from full-time to part-time jobs for many families – all situations that can lead to the loss of health insurance. As many working and middle-class families struggle, Medicaid and CHIP have stepped into the breach to cover necessary basic medical care for millions of children and their parents.

Recognizing the important role Medicaid plays in the lives of vulnerable people and the challenges faced by states, the federal government provided more than \$100 billion in relief to states through the ARRA, in exchange for a guarantee that they would maintain their eligibility levels. These coverage stability protections were extended by the ACA because of the continued demand for coverage and with the recognition that beginning in 2014, the federal government would offer generous assistance to states for covering newly-eligible populations. Taking into account state budget challenges, the ACA also created exceptions for states with budget deficits; in addition, the Administration has outlined several other options states can take to responsibly reduce Medicaid expenses.

H.R. 1683 would allow states to aggressively roll back their Medicaid and CHIP programs to bare-bones levels, threatening the health coverage of millions of vulnerable children, seniors and people with disabilities. This is the wrong prescription for families and for local economies, which benefit significantly from the infusion of federal funds. It also rolls back the significant progress we've made as a nation to achieve the lowest uninsured rate for children in our history.

We urge you to oppose H.R.1683.

Sincerely,

American Federation of State, County and Municipal Employees
Service Employees International Union
AFL-CIO

Health Care for America Now
Alliance for a Just Society
Community Organizations in Action
Main Street Alliance
USAction

National Women's Law Center

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, (UAW)