



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

May 30, 2013

The Honorable Kathleen Sebelius  
Secretary  
United States Department of Health and Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

Re: Request to Maintain Pennsylvania's CHIP Program

Dear Secretary Sebelius:

I am renewing my request made to you in April when we met to not force children from Pennsylvania's Children's Health Insurance Program (PA CHIP) into the Medicaid system. I am asking you to work with me to prevent possible confusion and disruption for children and their families and potentially avoid some children from losing access to their health care provider.

PA CHIP is a highly effective Title XXI CHIP program that provides health care to 187,034 Pennsylvania children. PA CHIP was established in 1992 and has long been acknowledged as a national model. When the federal CHIP program was created by the Federal Balanced Budget Act of 1997, PA CHIP received specific recognition as one of only three child health insurance programs nationwide that met Congressional specifications. CHIP continues to have broad bipartisan support at the federal and state levels.

Unlike most states, Pennsylvania's CHIP program is based on a commercial product platform, not Medicaid, and provides not only a robust array of health insurance benefits but also access to more doctors and hospitals than traditional Medicaid. I am concerned that a child in PA CHIP may not, in some instances, be able to stay with their current health care provider and will not have as broad of a choice of health care provider if moved to Medicaid. As policymakers, let's not force a parent to change their child's health care provider needlessly.

One program that is touted universally as working well in health care is PA CHIP. As one parent said: "Because our kids are able to be enrolled in CHIP, I have been able to provide for my family. There is not a product out there that is as good as CHIP, low-cost CHIP. Nothing."<sup>1</sup> In a survey of our PA CHIP parents, nine out of ten reported satisfaction with their

---

<sup>1</sup> Pennsylvania provides CHIP for free to children below 200% of the federal poverty level (FPL), and at subsidized rates between 201% and 300% FPL. Families over 300% FPL may purchase PA CHIP at cost.

The Honorable Kathleen Sebelius

May 30, 2013

Page 2

child's PA CHIP health plan, and an even greater number reported they were able to access urgent care services for their child as soon as necessary, and were able to obtain an appointment for their sick child within twenty-four hours. These are successes that should be continued.

As I highlighted for you in my February 5, 2013 letter, it is these successes, and many others, of PA CHIP that serve as examples of an innovative state program that is working and that should continue to be allowed to work in tandem with the insurance coverage reforms of the Affordable Care Act (ACA). Additionally, in the April 2 meeting with you and your staff, I along with Insurance Commissioner Consedine repeated our request that HHS give Pennsylvania the flexibility to continue PA CHIP and to exempt Pennsylvania from having to transfer a significant portion of its enrollees into the Medicaid system.

Implementation of the ACA may mean the de facto end to PA CHIP. Based on our initial analysis, prior to any formal guidance from HHS, of the 187,034 current enrollees in PA CHIP, we anticipated having to involuntarily transfer approximately 70,000 enrollees, representing children between 100-138% FPL, onto our Medicaid rolls. Recently my administration received from CMS the application of the new method for determining eligibility and income required by the ACA that may escalate the required transfer number to possibly 144,000 children. The Commonwealth has asked CMS to re-visit the issue, and I believe our respective staffs are working to resolve what appears to be an inadvertent error in how the new method was developed.

Although I do not believe adversely impacting PA CHIP was either the ACA's or HHS's intent, implementation of certain ACA requirements, if not done conscientiously and with forethought, will result in the reduction of PA CHIP enrollment by no less than 70,000 children. Let's work together to preserve a program that works for Pennsylvania's children.

In closing, I respectfully ask that you allow Pennsylvania to preserve our PA CHIP program for the children and families that currently enjoy its benefits, and for those families that may avail themselves of it in the years to come. My administration looks forward to working with you to save PA CHIP and work for the benefit of young Pennsylvanians so that they may continue to enjoy the coverage afforded them through this nationally recognized program.

Sincerely,

A handwritten signature in black ink that reads "Tom Corbett". The signature is written in a cursive, slightly slanted style.

TOM CORBETT

Governor