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October 25, 2017

The Honorable Terry R. McAuliffe
Governor
Commonwealth of Virginia
1111 East Broad Street
Richmond, VA 23219-1934

Dear Honorable McAuliffe,

I am writing in response to your letter dated and received on the evening of October 24, 2017 regarding the reauthorization of the Children's Health Insurance Program (CHIP). As the sole Member of Congress from Virginia on the committee of jurisdiction, the Energy and Commerce Committee, I want to inform you that the committee passed the reauthorizing legislation on October 4, 2017. Unfortunately, the Ranking Member of the Committee, Congressman Pallone, is on record in the press stating he wants to hold up the measure for Floor consideration. It is my understanding from House Leadership that they prefer this not be a partisan issue and are trying to resolve the "pay-fors" or funding issues with Congressman Pallone before bringing it to the Floor.

For background, please see the enclosed CQ News article where Congressman Pallone has stated his position publicly.

I strongly encourage you, should you wish, to contact Ranking Member Pallone's Washington, DC office at 202-225-4671 and share your concerns.

Should you have any questions, please do not hesitate to contact me directly at 202-225-3861.

Sincerely yours,

H. MORGAN GRIFFITH
Member of Congress

CQ NEWS

House Democrats Push to Delay Children's Health Vote

By Sandhya Raman, CQ

Oct. 23, 2017 - 3:36 p.m.

Democrats do not want a children's health insurance program bill to come to the floor this week for a vote, said Frank Pallone Jr., ranking member of the House Energy and Commerce Committee at a district event broadcast on Facebook Live on Monday.

"The idea is to not have the bill come to the floor this week," said Pallone, emphasizing that Democrats still want to find a bipartisan compromise and will not accept the changes to Medicare or Medicaid that Republicans want to use to fund the coverage. He later added, "This is supposed to come up Thursday. Hopefully, it won't."

Pallone suggested that the process could be lengthy if the House passes a partisan bill and the Senate does not act quickly to pass their bipartisan measure. The two likely would have to be reconciled through conference negotiations.

"We're going to just delay this for months, and the end result could be we don't deal with this until the end of the year," said Pallone, speaking at a community health center.

Democrats disagree with the offsets in House bills to reauthorize CHIP (HR 3921) and community health centers and other safety net programs (HR 3922). The CHIP bill's offsets include increasing premiums for Medicare recipients with income over \$500,000 a year and limiting Medicaid benefits for lottery winners. In addition, Democrats take issue with an offset that would bill other insurance before Medicaid for recipients who use more than one form of coverage.

The offsets for the community health centers include changes to undermine the 2010 health care law (PL 111-148, PL 111-152) including cutting almost \$6.4 billion from the Prevention and Public Health Fund over 10 years. Republicans also would allow states to create their own grace periods for individuals on the exchanges to pay their premiums or use a default one-month grace period. The current grace period is three months.

"If you miss it and you don't pay it, you can't get your insurance. You've got to re-enroll for the next year," Pallone said about the grace period.

"The problem is that they haven't been willing to give much on taking this money from the Affordable Care Act or Medicare, but why do they even have to come out of health care at all? Why can't we use another vehicle to pay for it?" said Pallone, adding, "Part of that could be cut back significantly." Democrats also object to way Puerto Rico's Medicaid funding in the CHIP bill would be addressed. "They're still requiring a state match from Puerto Rico," said Pallone. "The bill funds a little bit, but it's totally worthless if Puerto Rico has to come up with the match."

The island does not have money to contribute, Democrats say.

Earlier this month, Committee Chairman Greg Walden of Oregon asked his Democratic colleagues to suggest offsets that may be more amenable than those currently in the bill that the committee passed. Last week, Walden said in a statement that he had not received any Democratic offers. Democrats contend they have put suggestions on the table.

One idea would require drug companies to help seniors better afford their prescriptions by closing a funding gap, known as the "doughnut hole," in Medicare coverage. Currently, seniors have to pick up more costs after a certain spending threshold until they hit another limit when Medicare resumes paying for coverage.

"We've been making offers back. One of the things we said is make the drug companies pay for the doughnut hole. We still have a doughnut hole for Medicare Part D. So if they pay for the cost of that, that could be used as a payfor," said Pallone.

"This bill that may go to the floor next week is going nowhere," said Pallone, stating that it would "be a totally partisan vote."

Federal funding for CHIP expired Sept. 30. The Centers for Medicare and Medicaid Services has redistributed unused CHIP funds to nine states and territories including Arizona, California, Minnesota, Washington, American Samoa, Guam, Northern Mariana Islands, U.S. Virgin Islands and Oregon. The funds come from unused CHIP allotments from previous years and is used to help states that are running low on their current year funds.