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11TH DISTRICT, GEORGIA

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Congress of the United States
House of Representatives
Washington, DC 20515

May 1, 2008

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STOP THE MISUSE OF SCHIP AND MEDICAID FUNDS

Dear Colleague,

SCHIP and Medicaid were originally designed as programs for low-income individuals most in need of assistance from the federal government – not for those who have creatively altered their incomes to appear low-income on paper alone. In order to ensure these programs serve children and individuals who actually qualify as “low-income,” there is a dire need for greater transparency in the management and spending associated with each state’s administration of these programs. To address this situation, in the coming days I will be introducing legislation that will institute a gross income cap of 250% for SCHIP or Medicaid eligibility.

This legislation proposes a simple common-sense solution for a government spending pattern on health care that has grown out of control. Through “creative” funding schemes, states often overstate their funding commitments in SCHIP and Medicaid and use additional federal dollars on other state projects outside of health care. These practices include the use of various income disregards that allow an individual to be filed at a certain eligibility level even if they earn much more. For example, if a state sets Medicaid or SCHIP eligibility at 300% of the Federal Poverty Level (FPL), an individual can be “made eligible” by disregarding any income between 200% and 300% of the FPL.

Disregarding income -- especially whole blocks of income, a practice already being employed by as many as thirteen states -- for the sole purpose of making an individual eligible for a government entitlement program is an egregious practice that manipulates the very intent of these programs. Considering our federal budget deficit, the soaring escalation of health care costs, and most of all, the alarming number of uninsured Americans, we MUST curb the misuse of taxpayer dollars to ensure that these funds can be used to provide health care to those who are truly in need of assistance. Placing a firm eligibility cap on SCHIP and Medicaid is the BEST way to ensure that federal taxpayer dollars are not spent on those who can afford private insurance.

I invite you to join me in ensuring SCHIP and Medicaid serve those individuals for whom the programs were intended. If you have any questions or would like to become an original cosponsor, please contact Jamie Skipper on my staff at Jamie.Skipper@mail.house.gov or 5-2931.

Sincerely,

A handwritten signature in blue ink that reads "Phil Gingrey".

Phil Gingrey, M.D.
Member of Congress