

American Academy of Pediatrics



DEDICATED TO THE HEALTH OF ALL CHILDREN™

The Massachusetts Chapter

Executive Director

Cathleen Haggerty
860 Winter Street
Waltham, MA 02451
781-895-9852
Fax 781-895-9855
chaggerty@mcaap.org

Immediate Past President

Michael McManus, M.D., MPH,
FAAP
mmcmanus@mcaap.org

President

DeWayne Pursley, M.D., MPH,
FAAP
dpursley@mcaap.org

Vice President

Elizabeth Goodman, M.D.,
FAAP
egoodman@mcaap.org

Treasurer

Lloyd Fisher, M.D., FAAP
lfisher@mcaap.org

Secretary

Brenda Anders Pring, M.D.,
FAAP
bpring@mcaap.org

District Representatives

District 1

Peter Kenny, M.D., FAAP

District 2

John Synder, M.D., FAAP

District 3

Laura Lee, M.D., FAAP

District 4

OPEN

District 5

Daniel Slater, M.D., FAAP

District 6

Nicholas Kasdon, M.D., FAAP

District 7

Umbereen Nehal, M.D., MPH,
FAAP

District 8

E. James Gruver, M.D., FAAP

District 9

Walter Rok, M.D., FAAP

January 5, 2017

The Honorable Charlie Baker
Governor
Room 360
State House
Boston, MA 02133

Dear Governor Baker,

On behalf of the over 1,800 primary care pediatricians, pediatric medical subspecialists, and pediatric surgical specialists of the American Academy of Pediatrics, Massachusetts Chapter (MCAAP), I write today to express our grave concerns over federal proposals currently being discussed that could have disastrous, long term effects on the health care of children in Massachusetts. As Governor, you have the unique opportunity to voice support for—and take important actions to protect—critical provisions of federal law that sustain and improve children’s health, and to ensure children of Massachusetts are not harmed by federal proposals to significantly cut the Medicaid program. Further, you have the opportunity to voice strong support for long term funding of the Children’s Health Insurance Program (CHIP), which plays a critical role in the health insurance landscape for children and together with Medicaid has helped the US achieve historic low rates of uninsured children.

It is important to note in the pending federal debate that health care costs for children are very low compared to adults, and are not driving increases in health care spending. Indeed, early investments in children’s health care can be critically important in achieving long term savings in the health care system. Care for children must not be harmed as Congress considers significant changes to the larger health care landscape.

Congressional leaders have signaled the intent to bring forward legislation to both “repeal and replace” the Affordable Care Act (ACA) and to convert Medicaid into a block grant program to states, either in the form of a hard limit on federal Medicaid funds to states or a per capita cap. To ensure that our most vulnerable citizens receive the care needed to ensure a healthy future for our country, **we write today to express our opposition to the repeal of critical ACA provisions that protect and improve children’s health care and any efforts to turn Medicaid financing into a block grant.** Further, **we write to express strong support for long term federal funding of the Children’s Health Insurance Program (CHIP),** in advance of its fast approaching funding deadline of September 30, 2017.

On December 2, 2016, US House Majority Leader Kevin McCarthy sent a letter to all governors and state insurance commissioners, seeking your input as Congress moves forward with its plans for legislative changes to our health care system. In addition, on December 13, 2016, Senate Republican leaders sent a similar [request](#) to the Republican Governors Association. As pediatricians in Massachusetts who are devoted to caring for the health and well-being of children, we urge you to join us in letting members of Congress know that they **must first do no harm to Massachusetts children**.

Our specific concerns include:

Numerous ACA Provisions Protect Children's Health and Should Not Be Repealed

The ACA is an interconnected law with many components. The incoming administration and Congress have signaled their intentions to repeal the ACA (either in whole or in part) and likely craft a federal replacement package. While specifics of this replacement are not yet clear, repeal efforts may have the consequence of gutting legal protections that safeguard children's health care. Without strong, vocal support to safeguard these provisions, children will be directly harmed by this repeal effort.

ACA provisions that protect children's health include:

- **Prohibition on preexisting condition exclusions for children:** This essential section of law prevents insurers from denying coverage to children with preexisting health conditions. Repealing this critical protection will have a devastating impact on children who have any preexisting condition, and particularly on those children with special health care needs.
- **Prohibition on rescissions:** This prevents insurers from retroactively denying coverage. Before this protection, insurers could retroactively rescind children's coverage to avoid having to pay expensive claims.
- **Prohibition on lifetime and annual coverage limits:** These protections can be critically important for children who become sick or are injured, or who may need care for extended periods of time. Without this prohibition, families with children with special health care needs or children with serious acute illness or injury will be faced with significant financial hardship.
- **Required coverage of preventive services and immunizations:** Federal law requires all non-grandfathered health plans cover age-appropriate preventive services without cost sharing. For children, this means coverage of the AAP *Bright Futures* periodicity schedule of preventive visits and services and all Advisory Committee on Immunization Practices (ACIP)-recommended childhood immunizations. Without these preventive services protections, we as a state will take considerable steps backward as children in Massachusetts go without needed well-baby and well-child care and immunizations.
- **Dependent coverage to age 26:** This provision ensures that dependent children can continue to receive coverage through parents' health insurance plans. This protection offers essential coverage to a population that otherwise might forego health insurance, at a time in their lives when long-term health risks may begin to present opportunities for intervention.
- **Medicaid coverage of former foster care children to age 26:** This critical provision establishes the dependent coverage provision for former foster care youth, making children who age-out of foster care in Massachusetts eligible for Medicaid to age 26. States have the additional option of covering youth who age out of foster care in other states. This is a vital protection that provides much needed coverage as former foster care youth transition into adulthood.
- **Essential Health Benefits (EHB):** This provision requires non-grandfathered health insurance plans offered in the individual and small group markets cover a core package of health care services known as essential health benefits (EHB). While this protection must be strengthened for children, it ensures plans meet minimum benefit standards and include important services for children like habilitative care, and oral and vision.

- **The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program:** MIECHV is a federal-state partnership with broad bipartisan support that funds the improvement of health for at-risk children through evidence-based home visiting programs.
- **Choice of pediatrician as primary care provider:** If a plan requires enrollees to designate a primary care provider, federal law requires insurers to allow enrollees to choose a provider, and in the case of a child, a family must be allowed to choose a pediatrician.
- **Health homes:** This federal Medicaid option gives states enhanced abilities to provide comprehensive care coordination to individuals with chronic conditions.
- **Centers for Medicare and Medicaid Innovation (CMMI):** CMMI was established for the purpose of helping states test “innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care.” CMMI has spurred considerable innovation in state Medicaid programs and has been invaluable in identifying and spreading new and promising payment and service delivery practices in Medicaid.

In addition, there are 3 ACA provisions that dramatically affect the ability of families to obtain coverage:

- **The shared responsibility requirement (individual mandate):** The individual mandate incentivizes healthy individuals to seek insurance coverage. Ensuring insurance plan participation across the health status spectrum is vital to the financial health of the insurance market. In a system where only the sick seek coverage, premiums rise considerably higher, which makes insurance unaffordable for many Americans.
- **Premium and cost sharing subsidies:** Families with incomes between 100-400% FPL receive premium tax credits to purchase insurance in the marketplace, and families with incomes between 100-250% FPL receive cost sharing subsidies to help them pay out-of-pocket costs. Without these subsidies, coverage for many families will simply be unaffordable, and we will take a collective step backward in the enormous coverage gains made in recent years.
- **Medicaid expansion:** The expansion of MassHealth in our state has allowed parents, other caretakers, and adult family members of children in low-income families to obtain critical health coverage. Parents who are enrolled in coverage are more likely to have children enrolled in coverage, and parents with coverage are also more likely to maintain their children’s coverage over time. A healthy child starts with a healthy family.

Converting Medicaid to a Block Grant Will Decimate Federal Funding and Specifically Harm Children

Federal proposals to convert Medicaid to a block grant program will have serious and far reaching effects on the overall funding of health care in Massachusetts and will lead to drastic cuts to care for our most vulnerable children. Such proposals, made in an effort to provide states more “flexibility and control,” will come with a high cost—namely a substantial cost shift to our state.

Medicaid remains the backbone of our nation’s health care system, and together with CHIP provides a lifeline of coverage to 672,309 children in Massachusetts. Efforts to turn Medicaid into a block grant will fundamentally alter the federal-state financing of Medicaid, with less funding from the federal government to support the program.

State Medicaid spending is currently matched by federal spending at a fixed percentage, without a hard limit. In Massachusetts state Medicaid spending receives a 50% federal match. This arrangement ensures that Medicaid can adapt to changes in enrollment (for example, those due to economic downturns or natural disasters), and does not leave the state solely on the hook for spending over a given amount.

Block granting Medicaid will turn this design on its head, and instead cost- and risk-shift the entire financing of the program to states. Under a block grant, Massachusetts will be directly responsible for any spending over the state’s annual federal spending cap. Moreover, it is very likely that the annual federal

allotment will not keep pace with the actual cost of care, leaving the state only further behind in financing needed care. While a per capita cap might allow the state to respond better to changes in enrollment, the goal of either block grant design remains the same—to drastically cut federal Medicaid funding to Massachusetts and other states.

While we do not yet know how much funding Congress will seek to cut from Medicaid, previous legislative attempts provide a sense of expected magnitude. The FY 2017 House Republican budget plan would have turned Medicaid financing into a block grant and reduced federal spending in the program by approximately *\$1 trillion over 10 years*—and this figure does not include its repeal of the Medicaid expansion. Under a block grant, these costs would be shifted to states.

In the absence of dramatic increases in state funding of Medicaid, cuts in federal funding of this magnitude can only result in reductions to eligibility and enrollment, harmful reductions in services, waiting lists, and cuts to payment. All of these steps will harm children as they obtain fewer benefits, suffer diminished access to needed care, and experience periods with limited coverage, or no coverage at all.

These cuts to funding will likely be coupled with increased state programmatic flexibility. Such proposals may do little to shore up Medicaid financing, but will have the effect of limiting access to needed care and creating undue suffering for low-income Americans.

The CHIP Program is a National Achievement and Children Enrolled in CHIP Deserve Continued Federal Funding

In addition to preventing cuts to needed federal protections for children and Medicaid in the form of block grants, we must also act to continue federal funding of CHIP. For nearly two decades, CHIP has been a national success story, giving states the ability to provide coverage that meets the needs of families who are employed but still make too little to afford private insurance. Together, CHIP and Medicaid have helped cut the rate of children's uninsurance to 5%—the lowest level ever recorded. Congress has most recently demonstrated its continued bipartisan support of CHIP with passage of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) that continued funding of the program.

However, federal CHIP funding is currently set to expire September 30, 2017. A robust, long-term extension of CHIP funding for at least five years would help stabilize coverage for the 8.4 million children who rely on the program nationally, and provide budget certainty to Massachusetts and other states amid potentially significant changes to the broader coverage landscape.

We additionally encourage Congress to maintain the federal Medicaid and CHIP maintenance of effort (MOE) requirement, which ensures that eligibility and enrollment standards for children are not weakened, resulting in increased numbers of uninsured children. We further ask that Congress not roll back the recently-increased federal financing of CHIP to states. In 2015, Congress funded a 23 percentage point increase in CHIP funding; ending this increase in federal support will have a negative impact on the Massachusetts budget.

As Governor, you know the financial pressures our state faces. You also know the enormous responsibility that comes with working to protect Massachusetts children, the future of our state. Your voice in the pending Congressional debate will be critical, as the steps Congress takes are likely to have historic impacts on health care and the financing of Medicaid and CHIP across the country and here in our state. We ask you to stand today with us as a voice for Massachusetts children and strongly oppose any effort to wipe out federal protections for children's health care or to turn Medicaid into a block grant program. We further ask you to be an outspoken supporter of CHIP as it continues to provide much needed coverage to over 8 million children across the country.

We appreciate your consideration of our position on these critical matters. If you have questions or would like to discuss these issues further, please do not hesitate to contact me at 781-895-9852, or dpursley@mcaap.org

Sincerely,

A handwritten signature in black ink that reads "DeWayne Pursley". The signature is written in a cursive style with a large initial "D".

DeWayne Pursley MD, MPH, FAAP
President, Massachusetts Chapter of the American Academy of Pediatrics