

cc: Melanne
Nicole
Jen

June 10, 1997



First Lady Hillary Rodham Clinton
Office of the First Lady
Old Executive Office Building
Room 100
Washington, D.C. 20500

Dear Hillary:

We appreciate the President's leadership in securing \$16 billion in the bipartisan budget agreement for providing up to five million children with health insurance. This is a good first step for which the President should be commended. But as you know, 10 million children in America are uninsured and we believe that the Hatch-Kennedy Act is essential to get all children affordable insurance, and does not break the budget agreement. Insuring all children is a critical first step to ensure the healthy development of children in their early years which you highlighted so well in your recent White House conference.

As I indicated when we met some months ago, providing health insurance for every child is crucial and achievable. Providing health insurance for every other child is not good enough. A coalition of more than 200 organizations, co-chaired by the Children's Defense Fund and the American Cancer Society, support the Hatch-Kennedy CHILD Act as the bipartisan solution to reducing teen smoking, reducing the deficit, and making certain all 10 million uninsured children get the healthy start they deserve. According to a recent Wall Street Journal poll, 72 percent of Americans support the legislation, 80 percent of the people who voted for the President back it.

Senators Hatch and Kennedy have vowed to bring up their bill again and again until it prevails and provides all 10 million children with the necessary health coverage. We are prepared to assist them in every way possible.

I know that you and many members of the Administration share the goals of insuring all uninsured children while reducing teen smoking. In the coming weeks, there will be votes on this measure in the House of Representatives and the Senate. I hope that the Administration will support our common goals. I also want to discuss with you how the Administration will help achieve those goals by working to put Hatch-Kennedy into Reconciliation or another measure that will pass this year. I will call to follow up.

Sincerely yours,

Marian Wright Edelman

CHILDREN'S POLICY

Medicaid

- **States' Eligibility.** States are eligible for enhanced Federal matching in if they:
 - Cover all children up to 19 (with enhanced matching rate through 2002)
 - Provide 12-month continuous coverage for all children up to 133 percent of poverty
- **Matching Rate.** Children receive the higher matching payments if they expand to children:
 - Ages 0 - 5 from 133 to 150 percent of poverty and
 - Ages 6 - 18 from 100 to 150 percent of poverty.
- **Benefits.** Children receive Medicaid benefits

Grant

- **States' Eligibility.** States are eligible for the grant if they expand Medicaid to all children up to 133 percent of poverty
- **Matching Rate.** States receive the same enhanced matching rate, and Medicaid's state share rules apply

Amount of Grant:

1998: \$600 million
1999: \$700 million
2000: \$800 million
2001: \$900 million
2002: \$1 billion

Funds are allocated to states based on their share of uninsured children below 200 percent of poverty.

- **Benefits.** States must use the grant for health insurance that is consistent with the benefits package that is provided under high-quality group health plans and will meet the special needs of children. They may directly contract with Federally Qualified Health Centers.