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Sept. 7, 2017

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## **Hatch Opening Statement at Finance Committee Hearing on CHIP**

**WASHINGTON** – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a hearing entitled *The Children's Health Insurance Program: the Path Forward*:

*Twenty years ago, Senator Ted Kennedy and I came together to create the Children's Health Insurance Program, or CHIP, in order to provide health coverage for vulnerable children in families that were too poor to afford private coverage, but still didn't qualify for Medicaid.*

*Twenty years ago, we were at something of a crossroads.*

*The year before CHIP was signed into law, a Republican Congress passed and a Democratic President signed a welfare reform bill which ended the entitlement to cash welfare. Welfare reform sought to replace a culture of dependency with an emphasis on work. The emphasis was to move families off assistance and toward self-sufficiency. CHIP was needed to help many families make that transition.*

*So, we needed to be forward thinking, taking into account the realities at that time with an eye toward future sustainability of the program.*

*Senator Kennedy and I worked in good faith for months to craft CHIP and while neither of us got everything we wanted, the result was a dedicated funding stream for the program to help low income families get good reliable health insurance.*

*CHIP, from the outset, was a bipartisan program that enjoyed – and continues to enjoy – broad support throughout the country and here in Congress. While it isn't perfect – and while, in my view, some of the subsequent changes to the program have been regrettable – I believe that, overall, people consider it to be a success.*

*Current law provides federal CHIP funding through the end of Fiscal Year 2017. According to the Congressional Research Service, if Congress doesn't act to provide additional*

*federal funding, a number of children who would likely be eligible for CHIP will go uninsured once federal funding is exhausted.*

*Additionally, inaction by Congress with regard to CHIP would cause another layer of unpredictability and anxiety for states that have to administer the program. Of course, this anxiety will pale in comparison to the uncertainty families who rely on CHIP will be faced with if Congress doesn't act.*

*As the committee contemplates the future of the CHIP program, there are several thresholds we'll need to consider.*

*The basic question is: Does the committee want to reauthorize or merely extend CHIP? Reauthorization would entail more extensive debate and the consideration of potential policy changes to the underlying program. As many of you know, in 2015, Congressman Fred Upton – who was then Chairman of the House Energy and Commerce Committee – and I put forward a number of substantive policy recommendations for reforming CHIP, most of which were, admittedly, met with a mixed reaction from stakeholders.*

*While some policy changes are certainly in order for the program, some are justifiably concerned that, given the number of issues that are already before the committee, there may not be time to give full and fair consideration to CHIP reforms prior to the expiration of federal funding at the end of the fiscal year. With these concerns in mind, some have suggested that, instead of reauthorizing the entire program, we simply act to extend CHIP funding.*

*Of course, that option comes with its own set of questions.*

*For example, we'll need to determine the appropriate length for the extension and whether to continue with the 23 percent increase in federal matching for CHIP provided under the Affordable Care Act and extended in 2015.*

*I know some of our members have strong feelings about both of these questions. These are not particularly complicated issues, but, they will require some deliberation among members of the committee.*

*Long story short, we have some difficult questions ahead of us. Whether we opt to reopen CHIP for reforms or simply provide another extension, the committee will need to invest significant time and effort to find answers to those questions.*

*Today, we will continue our discussion of these matters as we hear from witnesses who will testify to the importance of CHIP and the need for it to continue.*

*I hope members will listen carefully to these witnesses, confer with their states, and let me know how they would prefer to proceed with regard to CHIP. I look forward to working on a*

*bipartisan basis with Ranking Member Wyden and all the Members of the Senate Finance Committee to move forward on a bipartisan CHIP bill.*

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