



December 15, 2017

The Honorable Greg Abbott
Governor of the State of Texas
State Capitol, Room 2S.1
Austin, Texas 78701

Dear Governor Abbott:

We appreciate your continued leadership and efforts to advocate before leaders in Washington, D.C. for the renewal of Texas' Children's Health Insurance Program (CHIP). As such, I wanted to update you on the status of CHIP. As you are aware, federal authorization for CHIP expired September 30, 2017, and the United States Congress has not yet renewed the program, impacting future program operations. For CHIP to continue in Texas beyond early next year, Congress must pass a law to renew federal funding for the program (Health and Safety Code, Section 62.003, 76th Texas Legislature).

In discussing Texas' needs with the Centers for Medicare & Medicaid Services (CMS), CMS has provided the following written assurance to the Health and Human Services Commission (HHSC) regarding available supplemental funding.

"CMS projects the State of Texas' portion of the national redistribution amount is \$135,848,929 in federal funds...CMS intends to make any redistribution funding available to Texas through monthly, interim payments on an as-needed basis as the state approaches its projected CHIP shortfall."

Although the amount noted in this correspondence is subject to change, it would be more than sufficient to cover CHIP program payments through the month of February. Given this assurance, we do not intend to initiate steps to terminate CHIP this month. I am confident that the state will receive sufficient federal funding to continue the program through February 2018.

We will continue to work with you, legislative leadership, and our federal partners on CHIP reauthorization to ensure more than 450,000 children continue to receive medical coverage.

As we continue to monitor federal action regarding CHIP reauthorization, we will keep you and your staff closely apprised of decisions impacting future coverage. If you have any questions in the meantime, please do not hesitate to reach out to me.

Sincerely,



Charles Smith

cc: Lieutenant Governor Dan Patrick
Speaker Joe Straus
Members of the Texas Senate
Members of the Texas House of Representatives
Ms. Ursula Parks, Legislative Budget Board Director