



OFFICE OF THE GOVERNOR

RICK PERRY  
GOVERNOR

January 13, 2009

The Honorable Joe L. Barton  
U.S. Representative, District 6  
U.S. House of Representatives  
2109 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Barton:

In the next few days, the U.S. Congress will address the pressing issue of funding the State Children's Health Insurance Program (SCHIP). I urge you to fight to protect the vital funding that has been allocated to the state for its SCHIP program.

SCHIP was developed by Congress as a program administered by states to serve low-income and uninsured children. In 2000, Texas began enrolling children in a separate SCHIP program that is fiscally responsible and focuses on serving the targeted clients Congress originally authorized. Texas maintains reasonable eligibility requirements, such as only enrolling children whose families make less than 200 percent of the federal poverty level (FPL). Some states experiencing shortfalls cover families whose incomes are as high as 350 percent of FPL and non-pregnant adults. As you consider impending SCHIP reauthorization legislation, it is imperative that Texas is not penalized for not taking these liberties with its program.

In addition, recent reports have indicated that restrictions on physician-owned hospitals may be used to offset SCHIP budget costs. Congress should not foreclose a health service delivery access point in order to pay for SCHIP state expansions. Texas has approximately 50 physician-owned hospitals, which provide critical services to thousands of patients each year, employ more than 22,000 Texans and have a reported net economic effect of nearly \$2.3 billion on the Texas economy. These hospitals play a vital role in health care delivery in the state, a role that is rightfully determined by the needs of Texas communities, not governmental financing maneuvers.

I ask you to consider the consequences of limiting physician-owned hospitals in Texas as you seek to protect Texas' SCHIP current and future allocations. Texas should not be penalized for

The Honorable Joe L. Barton  
January 13, 2009  
Page 2

administering a fiscally responsible program that serves a vital need for the low-income children in our state.

Please let me know how I can be of assistance. I look forward to a positive outcome for the children of Texas.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly slanted style.

Rick Perry  
Governor

RP:jop

cc: Mr. Ed Perez, Executive Director, Office of State-Federal Relations  
Mr. Albert Hawkins, III, Executive Commissioner, Texas Health and Human Services  
Commission