

Partnership for Medicaid Partnership for Medicaid

June 18, 2012

The President
The White House
Washington, DC 20500

Dear Mr. President:

On behalf of the Partnership for Medicaid – a nonpartisan, nationwide coalition of safety-net providers, counties, labor, and health plans, we write to express our deep concern about using proposals to cut Medicaid as an offset for the cost of extending interest rate subsidies for Stafford student loans.

Millions of people in the United States, spanning all walks of life, receive their health insurance through the Medicaid program. It serves as the safety net for the elderly who live in nursing homes, working families, children, pregnant women, and people with disabilities. It is vital that the program continues to improve its ability to ensure that beneficiaries have a place to go for care—since coverage does not equate to access—and that providers are able to recoup enough of the costs for caring for these beneficiaries and stay in business.

Last week, you received a letter from the Speaker of the House, the Senate Minority Leader and others recommending cuts to Medicaid provider taxes as an offset to the Stafford loan interest rate extension. This proposal would reduce access to care for millions of Americans and we oppose the use of cuts to the Medicaid program to offset other non-health care programs. Furthermore, using an already stretched safety net program to offset other federal spending puts our country's most vulnerable people at greater risk. While our country is rebuilding the economy, we need our health care safety net intact in order to keep our communities healthy and working. While we understand the impact the interest rate increase could have on American students, we reject using Medicaid funding to fill a gap in other federal programs.

Provider taxes are used by more than 40 states to fund their Medicaid programs. Limiting states' authority to use provider taxes creates a greater strain on their already stretched budgets. These cuts would shift costs onto both states and safety net providers and would hurt vulnerable Medicaid patients' access to care by forcing states to make drastic cuts to the program.

The Partnership is committed to working with Congress and the Administration on innovative solutions to improve the Medicaid program and ultimately improve the health of our country. Making reductions to the program that do not improve Medicaid or the health system as a whole is not an approach we can support. While we work with Congress and your administration to find solutions, we urge you to reject this proposal.

Sincerely,

AFL-CIO
American Congress of Obstetricians and Gynecologists
American Health Care Association

**Association of Community Affiliated Plans
Association of Clinicians for the Underserved
Catholic Health Association of the United States
Children's Hospital Association
Jewish Federations of North America
National Association of Community Health Centers
National Association of Counties
National Association of Pediatric Nurse Practitioners
National Association of Public Hospitals and Health Systems
National Council for Community Behavioral Healthcare
National Health Care for the Homeless Council
National Rural Health Association**

cc: Sen. Max Baucus, Chair, Senate Committee on Finance
Rep. John Boehner, Speaker of the House of Representatives
Rep. Eric Cantor, Majority Leader, House of Representatives
Sen. Orrin Hatch, Ranking Member, Senate Committee on Finance
Sen. Jon Kyl, Assistant Minority Leader, Senate
Sen. Mitch McConnell, Minority Leader, Senate
Rep. Nancy Pelosi, Minority Leader, House of Representatives
Sen. Harry Reid, Majority Leader, Senate
Rep. Fred Upton, Chair, House Committee on Energy and Commerce
Rep. Henry Waxman, Ranking Member, House Committee on Energy and Commerce