

Partnership for Medicaid Partnership for Medicaid

June 7, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Madam Speaker, Representative Boehner, Senator Reid and Senator McConnell:

We, the undersigned members of the Partnership for Medicaid, urge Congress to act quickly and extend a temporary increase in Medicaid's Federal Medical Assistance Percentages (FMAP). Recognizing the significant burden of the economic recession on state budgets, Congress enacted a temporary increase in the Medicaid match rate for all states as part of the *American Recovery and Reinvestment Act of 2009* (ARRA). The additional federal support has allowed states to minimize cuts to state Medicaid programs, protecting 42 million Medicaid enrollees during the economic recession. We thank you for your commitment to the Medicaid program by providing this assistance.

While the economy is showing signs of improvement, states are grappling with significant projected budget deficits in Fiscal Year 2011. According to the National Governors Association and the National Association of State Budget Officers, states face a collective \$55.4 billion shortfall in FY 2011, and a combined \$136.1 billion in deficits FY 2010-2012. ARRA's enhanced FMAP ends on December 31, 2010 – in the middle of many state fiscal years. Congress has already taken steps to extend the FMAP increase through June 30, 2011 (both chambers have passed separate bills which would do so), but as you know, prior to the Memorial Day recess the House passed the Extenders Bill without a six-month extension of the enhanced FMAP —leaving states in a dire and untenable position. Many states begin their fiscal year on July 1, yet without the passage of the extension through June 30, 2011, states cannot plan for funds that are not allocated and have or will take steps to cut their Medicaid programs. Therefore we would urge the Senate to restore the FMAP extension in the extenders package.

We were extremely disappointed to see the House strike the FMAP extension at the last hour, upon hearing no opposition to the provision on policy grounds from any corner. In fact, the extension has the strong bipartisan support of the state and territorial governors, 47 of whom wrote to you in February asking for a six-month extension of the FMAP assistance. Additionally, 219 House Members and 39 Senators have signed letters supporting the six-month extension.

We urge Congress to act swiftly—prior to the July 4th recess—to extend the FMAP enhanced funding. While we are thankful that Congress recognized the need for enhanced federal Medicaid assistance through year’s end and it may give states adequate protection in the short term, states cannot budget for Fiscal Year 2011 without knowing whether this assistance will continue. Given this, it is critical for Congress to accelerate consideration of the FMAP extension as soon as possible. Doing so will allow states to avert Medicaid cuts at a time when the economic recession requires a strong safety net. Since health reform limited states’ ability to reduce eligibility, reductions would be in benefits and provider payment, which would severely impede access to needed care.

Extending the FMAP assistance for another six months, through June 30, 2011, is consistent with the Partnership’s core principles of preserving the federal guarantee of Medicaid coverage, strengthening the federal financial role, and assuring adequate provider participation. Through this action Congress can ensure that Medicaid continues its crucial role as a safety net for vulnerable populations.

Thank you for your consideration of our views. We look forward to working with you on behalf of the more than 42 million recipients who rely on Medicaid for vital coverage, and the providers who serve them. Should you have any questions about these or other issues please feel free to contact any of our organizations or call Thomas Johnson at (202) 857-5725.

American Academy of Pediatrics
American Congress of Obstetricians and Gynecologists
American Dental Association
American Federation of Labor – Congress of Industrial Organizations
American Health Care Association
Association of Clinicians for the Underserved
Association for Community Affiliated Plans
American Public Health Association
Easter Seals
Medicaid Health Plans of America
National Association of Children’s Hospitals
National Association of Community Health Centers
National Association of Counties
National Association of Public Hospitals and Health Systems
National Center for Assisted Living
National Council for Community Behavioral Healthcare
National Health Care for the Homeless Council

cc: Rep. Henry Waxman, Chair, House Committee on Energy and Commerce
Rep. Joe Barton, Ranking Member, House Committee on Energy and Commerce
Sen. Max Baucus, Chair, Senate Committee on Finance
Sen. Charles Grassley, Ranking Member, Senate Committee on Finance